R4225-1

THE
1992
DEVELOPMENT
REPORT
CARD
FOR THE
STATES

ECONOMIC
BENCHMARKS
FOR STATE
AND
CORPORATE
DECISION-
MAKERS

Sixth
Edition

CFED
CORPORATION
• FOR •
ENTERPRISE
DEVELOPMENT

The report and the analysis contained herein are based upon original source material which has not been developed by The Corporation for Enterprise Development. Consequently, The Corporation for Enterprise Development cannot guarantee the accuracy of such material.

Copyright 1992 by The Corporation for Enterprise Development. All rights reserved. No part of this work may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying and recording, or by any information storage or retrieval system, except as may be expressly permitted by 1976 Copyright Act or in writing by the Publisher.

ISSN: 1045-4691

CFED
CORPORATION
• FOR •
ENTERPRISE
DEVELOPMENT

National Office
777 North Capitol Street, NE
Suite 801
Washington, DC 20002
202–408–9788

Table of Contents

Introduction 1
The 1992 Development Report Card for the States 1
About The Corporation for Enterprise Development 2
Specialized Report Card Services 3
CFED Publications 4

National Findings 5
The 1992 Development Report Card 5
The National Story 6
Distribution of Index Grades by Region 8
1992 Economic Performance Index 10
1992 Business Vitality Index 12
1992 Development Capacity Index 14

Regional Findings 17
The Northeast 18
The Industrial Midwest 20
The Plains 22
The South 24
The Mountain West 26
The Pacific 28
Regional & State Trends: 1988–1992 Economic Performance Index 30
Regional & State Trends: 1988–1992 Business Vitality Index 31
Regional & State Trends: 1988–1992 Development Capacity Index 32

State Report Cards

Alabama 33
Alaska 35
Arizona 37
Arkansas 39
California 41
Colorado 43
Connecticut 45
Delaware 47
Florida 49
Georgia 51
Hawaii 53
Idaho 55
Illinois 57
Indiana 59
Iowa 61
Kansas 63
Kentucky 65
Louisiana 67
Maine 69
Maryland 71
Massachusetts 73
Michigan 75
Minnesota 77
Mississippi 79
Missouri 81
Montana 83
Nebraska 85
Nevada 87
New Hampshire 89
New Jersey 91

(continued)

State Report Cards (continued)

New Mexico 93
New York 95
North Carolina 97
North Dakota 99
Ohio 101
Oklahoma 103
Oregon 105
Pennsylvania 107
Rhode Island 109
South Carolina 111
South Dakota 113
Tennessee 115
Texas 117
Utah 119
Vermont 121
Virginia 123
Washington 125
West Virginia 127
Wisconsin 129
Wyoming 131

Methodology **133**
The Report Card Framework 133
Cautions and Caveats 133
Making the Grades 134

Economic Performance Index **135**
Employment Subindex 136
Earnings & Job Quality Subindex 138
Equity Subindex 140
Environmental, Social & Health Conditions Subindex 142

Business Vitality Index **149**
Competitiveness of Existing Business Subindex 150
Entrepreneurial Energy Subindex 152
Structural Diversity Subindex 154

Development Capacity Index **157**
Human Resources Subindex 158
Technology Resources Subindex 160
Financial Resources Subindex 164
Infrastructure & Amenity Resources Subindex 168

Tax & Fiscal System Index **173**
Fiscal Stability & Balanced Revenue 174
Tax Fairness 176
Fiscal Equalization 178
Tax & Fiscal System – Total Scores 180

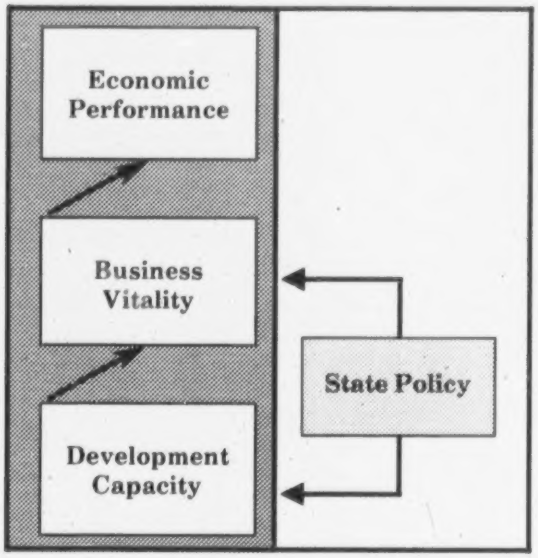
Appendix **181**
Rural/Urban Disparity Index 181
Traded Sector & Structural Diversity 187
Minority & Women Business Ownership 190
Acknowledgments 192

Introduction

The 1992 Development Report Card For The States

Definition and Scope

Snapshot of a State's Economic Health: The sixth annual *Development Report Card for the States* from the Corporation for Enterprise Development (CFED) presents critical economic indicators and judgments on the economic health for each of the 50 states. The Report Card draws upon over 70 economic indicators from a variety of government and private databases. Together these indicators offer an aggregate view across three interrelated indexes that define a state's economic health: economic performance, business vitality, and development capacity.



The three Development Report Card Indexes model the economic development process and its relationship to State Policy.

CFED developed the Report Card based on an extensive literature review and on the review of a technical advisory board comprised of economic development experts and representatives from business, labor, government, and community development organizations. CFED also drew upon its own hands-on expertise working with development agencies across the nation. Key elements of the *Development Report Card for the States* include:

- **National and Regional Findings:** This year's Report Card provides detailed national and regional findings, including graphics and tables.
- **Individual State Report Cards:** For the first time, we provide a detailed presentation of the findings for each state, including a measure-by-measure account of how the state ranks compared to the other 50 states.
- **Grades Over Time:** Report Card readers may review and compare a state's grades over time. Each state report card and each index includes grades from every Report Card since 1988.
- **A Closer Look at Economic Performance, Business Vitality, and Development Capacity:** For each of the three indexes in the Report Card, detailed descriptions and source notes of all the indicators used to compile the index are presented, as well as data tables presenting the indicators and rankings for all 50 states.

Who Should Use the Report Card?

The Report Card has been designed as a tool to help people and organizations interested in assessing and evaluating their state's annual economic progress or comparing themselves to other states. The Report Card is recommended reading for:

- economic development professionals;
- strategic planners;
- elected and appointed officials;
- state and local chambers of commerce;
- utility executives;
- community and labor leaders; and
- corporate site planners.

For a Closer Look at Successful Economic Development Programs in Action . . .

The first annual CFED *Third Wave Development Awards* is a companion publication to the Report Card, and is the successor to our earlier Policy Index. Our new policy focus is to go beyond a checklist of programs states offer and profile those programs that are noteworthy for their impact and success in promoting economic development.

About The Corporation For Enterprise Development

The Corporation for Enterprise Development is a nonprofit organization involved in research, development, and the dissemination of ground breaking ideas. CFED's focus is on economic growth and opportunity, particularly for distressed urban and rural communities and low-income populations.

Founded in 1979, CFED has been pioneering initiatives in the fields of entrepreneurship, economic strategies for distressed communities and low-income individuals, development finance, manufacturing networks, and state and local economic assessments. CFED has worked with hundreds of state and local development officials, business groups, foundations, and others in designing and implementing leading-edge economic development strategies. Many of these practices are now enjoying wide use in public sector development efforts.

The energy for CFED's policy and program innovations comes from the unique approach it brings to the development field. CFED is both a source of inventive policy and a hands-on consultant that provides technical assistance and training activities. This dual capacity permits CFED to anchor its research in practical reality and work through policy ideas in practical settings.

CFED is also a leading source for information about what is working and why in the rapidly moving fields of economic development and human investment. Through publications, a quarterly journal on economic development practice, training seminars, and public forums, CFED offers a distinctive perspective to a broad audience.

Introducing . . .

Specialized Report Card and Economic Benchmark Services

CFED and its strategic partner, Capital Consulting Products Group, Inc. (CCPG), an organization offering information management and decision support services, can offer the following specialized services:

- **Customized State and Regional Report Cards** – We are able to help you present the benchmarks and grades found in the *Development Report Card for the States* in high quality, customized reports for individual states, regions, or key issue areas.

- **Electronic Report Card** – We are able to provide you with an electronic version of the data contained in the *Development Report Card for the States* that can be easily transferred into common spreadsheet programs. Our proprietary Report Card software can also be used to combine *Development Report Card* data with your own measures, which can then be electronically viewed and compared in any combination of states and measures through maps, graphs, or charts.

- **Metropolitan, Technology, and Other Specialized Report Cards** – We can undertake specialized report cards on topics of key importance to decision-makers in a state or region. Among the various specialized Report Cards we have undertaken in recent years are metropolitan, technology, and international comparisons.

- **Management Presentations** – By combining the resources of our research, software, and publishing staffs, we can design and produce management-level presentations for economic development activities such as business attraction and marketing. Presentations can utilize graphics and mapping in a variety of media from printed hand-outs, to slide shows, to interactive computer "shows".

For more information on CFED/CCPG specialized services that could benefit you or your organization, call (202) 408-9788.

CFED Publications on Economic Growth and Development

CFED Third Wave Development Awards

Recognizing Impact and Excellence in State Economic Development and Human Investment Policy

What matters in economic development? Not whether you undertake specific initiatives, but how well you succeed at them. More and more states are focusing on ways of building quality and impact into their development programs. This booklet profiles specific economic development programs from around the country that merit special consideration. An excellent companion to the *1992 Development Report Card.* ($20.00)

Playing by New Rules

Nine Economic Development Realities for the 90's

Conventional wisdom holds that the best path to a strong economy is a low-cost labor climate, and that government intervention in the economy slows economic growth. This booklet explodes the assumptions underlying both myths – and seven others as well. It's a thought-provoking analysis of just how deeply our strategic thought about economic growth and development is changing. ($10.00)

Hard Times, Smart Choices

Eight Guidelines for Development Policy in the 90's

This practical, hands-on policy guide helps state and local decision makers draw upon leading-edge approaches to coping with economic downturns and budget crunches. Readers encounter new concepts for managing development programs. Case studies and bibliographic sources are included. ($10.00)

The Entrepreneurial Economy Review

CFED's flagship quarterly journal features articles on cutting-edge economic development programs, policy trends, and resources from around the country. Authored by the country's leading economic and policy experts. ($78.00/year)

To order, or for more information on CFED publications, call (202) 408-9788.

National
Findings

National Findings

The 1992 Development Report Card

	INDEXES		
STATE	Economic Performance	Business Vitality	Development Capacity
Alabama	D	C	D
Alaska	D	B	C
Arizona	C	F	B
Arkansas	F	C	F
California	C	A	A
Colorado	C	A	A
Connecticut	A	B	B
Delaware	A	A	B
Florida	C	C	D
Georgia	C	F	C
Hawaii	A	F	B
Idaho	B	A	D
Illinois	C	B	B
Indiana	B	A	C
Iowa	B	A	C
Kansas	B	B	C
Kentucky	D	C	D
Louisiana	F	F	F
Maine	C	B	D
Maryland	A	B	A
Massachusetts	C	D	A
Michigan	C	D	C
Minnesota	B	A	A
Mississippi	F	D	F
Missouri	C	C	C
Montana	D	C	D
Nebraska	A	C	C
Nevada	A	C	C
New Hampshire	B	D	C
New Jersey	B	B	B
New Mexico	F	A	D
New York	C	C	A
North Carolina	B	C	C
North Dakota	D	C	F
Ohio	C	C	B
Oklahoma	F	D	D
Oregon	A	D	B
Pennsylvania	B	C	C
Rhode Island	B	C	C
South Carolina	C	F	D
South Dakota	D	A	D
Tennessee	D	C	C
Texas	D	A	B
Utah	A	B	A
Vermont	B	B	B
Virginia	C	B	A
Washington	A	D	A
West Virginia	D	D	F
Wisconsin	A	C	A
Wyoming	C	D	C

For more information on how grades are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

The National Story

Lesson 1 – There is no "national economy."

Election year speeches notwithstanding, there is no U.S. economy. The country is simply too big and too diverse to be characterized as a single economic entity. National economic policy must take into account that our economy is a collection of regional economies with lives of their own – some thriving, some reviving, some weakening, some barely breathing. Even the national recession isn't really national; it varies widely from place to place, and the real effects are often very different than press reports might suggest. In New England, where employment and business competitiveness have fallen abruptly in many sectors unaccustomed to such hardships, many of the fundamentals are still quite strong. Those who are working have better jobs at better wages than people in many other parts of the nation. The Industrial Midwest, hit hard by the last recession a decade ago, is restructuring its way back to competitiveness and the investments are paying off. Out in the Plains, some states are surging, others are not. The Mountain West is too mixed to characterize, but most of the Pacific states are booming – although often because of narrowly-based economies. The South's economy continues to lag with a weak industrial base and even fewer resources to develop or sustain that base.

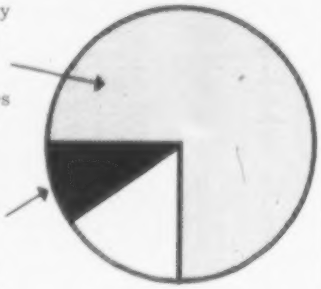
Lesson 2 – "Jobs, Jobs, Jobs" is not the answer.

Unemployed Americans are angry about losing their jobs. But they, and the many more who have dropped out of the labor force altogether, are even angrier about the poor quality of the new jobs being created in their towns. If job creation were all that mattered, the South, which has created tens of thousands of jobs in the past few decades, would be thriving. The South is not thriving and one reason is that the new jobs created were not good jobs. They did not pay enough to support a family, they offered few benefits, and – with so little to tie the jobs to the community – they were easy to move offshore. Today, other states are in the same bind. Indiana and Arizona are job-creation stars, scoring solid As in employment indicators, but they earn Ds in earnings and job quality. In contrast, states like New Jersey and Connecticut have lost thousands of jobs to the recession, but many of the jobs that remain are in companies that produce high-value goods and services, so earnings and job quality are higher. Creating jobs isn't the answer to the nation's economic ills; creating good jobs that improve people's living standards is the answer – that, after all, is the whole point of "economic development."

Lesson 3 – Fundamentals matter; the stronger a state's development capacity, the better its jobs.

The remarkable improvement in the economic health of the states in the Industrial Midwest – so badly hit by the last recession – underscores the importance of the fundamentals: human, financial, technology, infrastructure and amenity resources. The stronger these fundamentals, the greater the economy's capacity to rebound and the higher the quality of the jobs created. It is no coincidence that the states with the best development capacities also have the best jobs. The extreme reverse of this phenomenon is, of course, the South. With underdeveloped capacity in virtually every category, the South does not have the resources to thrive in today's fast-paced global economy.

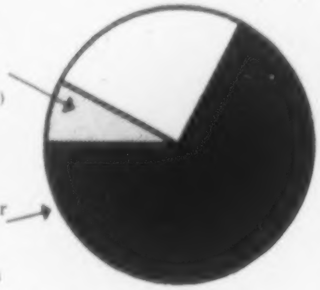
High Development Capacity = Good Jobs



Fifteen out of twenty states with high (A or B) Development Capacity grades received high grades in Earnings & Job Quality.

Only two out of twenty states with high grades in Development Capacity received poor (D or F) grades in Earnings & Job Quality.

Low Development Capacity = Poor Jobs



Only one out of fifteen states with low grades in Development Capacity received high grades (A or B) in Earnings & Job Quality.

Ten out of fifteen states with low (D or F) Development Capacity grades received low grades in Earnings & Job Quality.

Lesson 4 – New business formation by itself isn't the answer either.

High rates of new business formation can mean a thriving economy – or a deeply troubled one. A lot of what passes for entrepreneurial energy has more to do with necessity than with growth. New business formation rates are often high, for example, in thinly-populated states where jobs are few and far between, or in states whose major industries are rapidly declining. New Hampshire and Rhode Island get As in entrepreneurial energy this year, but F or near-F grades in business competitiveness. It is important that businesses are not only created, but that they are sustained and grow. Anything less is simply "entrepreneurship of necessity."

Lesson 5 – Some of the nation's "hot" economies are at risk.

A fair number of states with local or regional economies currently described as "hot" – Seattle, for example – did not receive grades commensurate with their "press" ratings. Why? Because conventional wisdom seldom examines the real foundations of current economic performance. An economy that is based on only one or two industries, like Washington's, is fragile and vulnerable. An economy that is more diversified, like Utah's, will weather sudden changes without throwing its residents' lives into turmoil.

Lesson 6 – Growth itself can be the engine of growth, but not for long.

Remember the "Sunbelt?" For some years now jobs have followed people, rather than the other way around. People move to an area they think will be a good place to live, raise a family, or retire, and businesses grow to serve them. But "development-driven economies," like undiversified economies, are fragile things. The moment the economy hiccups, they go into a tailspin. Florida and Arizona, the Sunbelt's bookends, are struggling in both business vitality and economic performance as real estate development stalls.

Distribution of Index Grades By Region

What do the Indexes Mean?

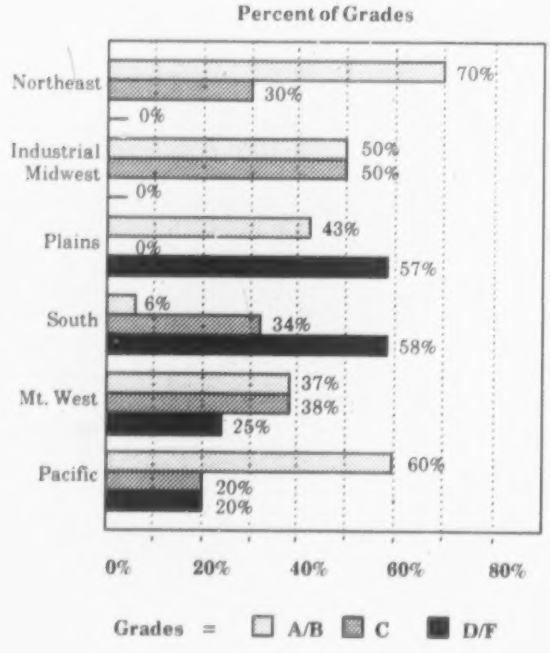
The three index structure of the Report Card sets out to judge the health of state economies. Below is a brief overview of each index:

Economic Performance: *How well is the state's economy performing?* The bottom line on how an economy is doing, and an indicator of whether a state offers a good place for businesses to grow, is a state's current performance – that is, how well it does its job of providing citizens opportunities for employment, earnings, and widely shared growth.

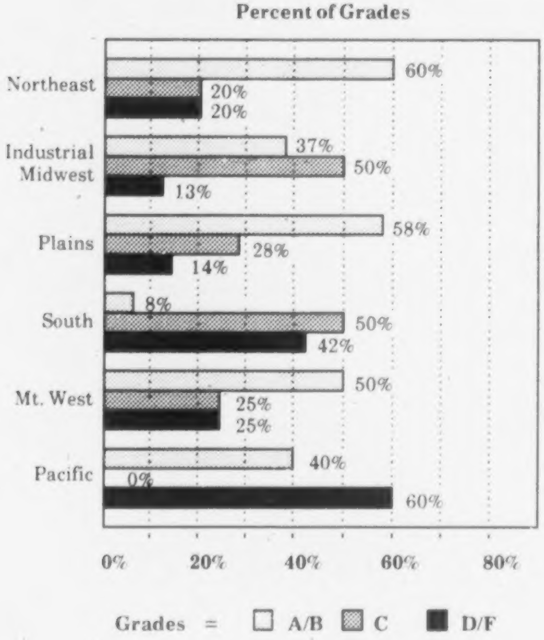
Business Vitality: *How vital are the businesses in the state?* The vitality of any state economy is determined by the vitality of the businesses located there – that is, how competitive they are, how diversified, and how many new ones are being created each year.

Development Capacity: *What is the state's capacity for continued growth?* The future of both today's and tomorrow's businesses is tied directly to the quality and availability of the "building blocks" of economies – a skilled workforce, technology resources, financial resources, and physical infrastructure and amenity resources.

Economic Performance Index

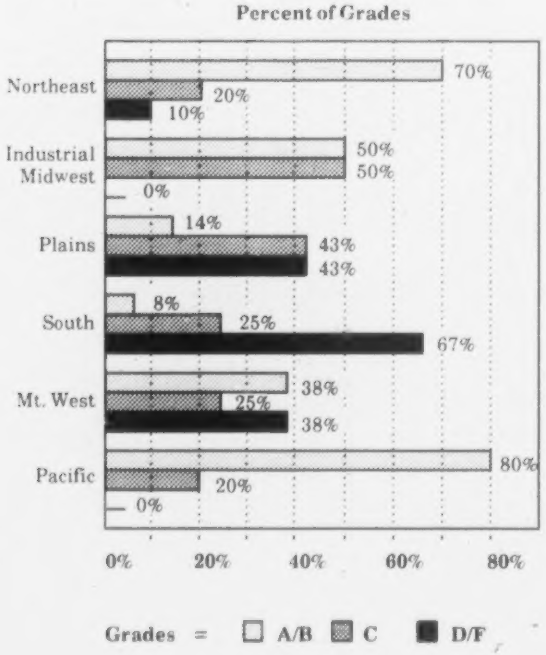


- Despite the recession, 100% of the Northeast and Midwest's economic performance grades are C or better, showing that unemployment figures alone do not capture an economy's performance.
- Conditions in the Plains tend to be extremely good or extremely bad; they tie the South in their percentage of D/F grades.
- The Pacific did not have any Bs; 60% of its grades are As – twice as many As as any other region.



Business Vitality Index

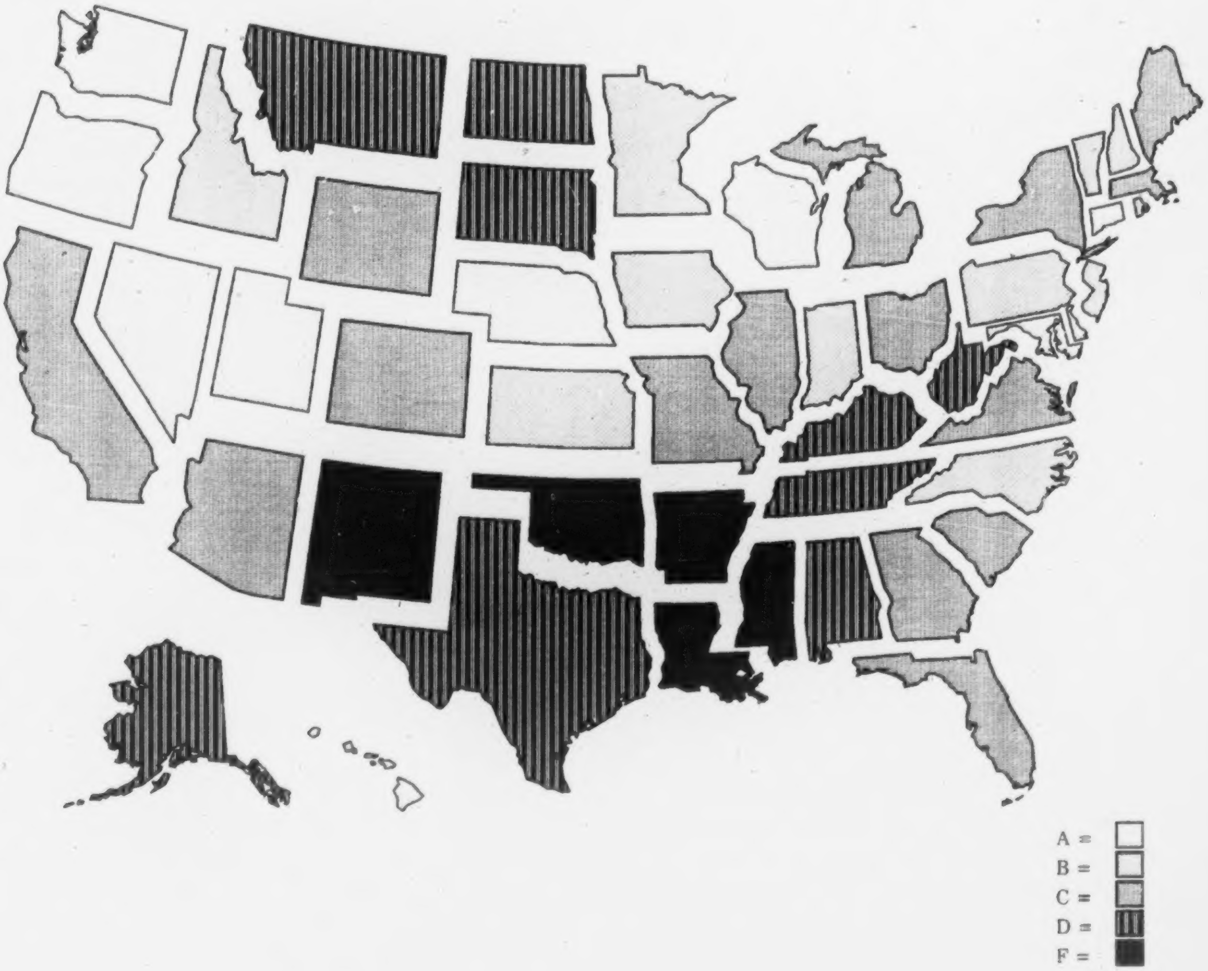
- Business Vitality is stronger nationwide than might be expected; in four of six regions more than 75% of the business vitality grades are C or better. But the recession has made an impact: only 10% of the Northeast's grades were As, down sharply from 50% in 1991.
- The Pacific state economies would score very high in vitality if the region did not have such poor economic diversity.
- With 92% of its grades C or lower, businesses in the South are feeling the recession far more than businesses in the Northeast.



Development Capacity Index

- The Pacific stands out in development capacity, with 100% of its grades C or better and 80% As and Bs.
- The Northeast and Midwest also get high grades for development capacity, but for different reasons – the Northeast for strong financial and technology resources, the Midwest for financial and amenity resources.
- Development Capacity resources in the Plains and Mountain West vary markedly from state to state, though human resources are strong in both regions.

1992 Economic Performance Index

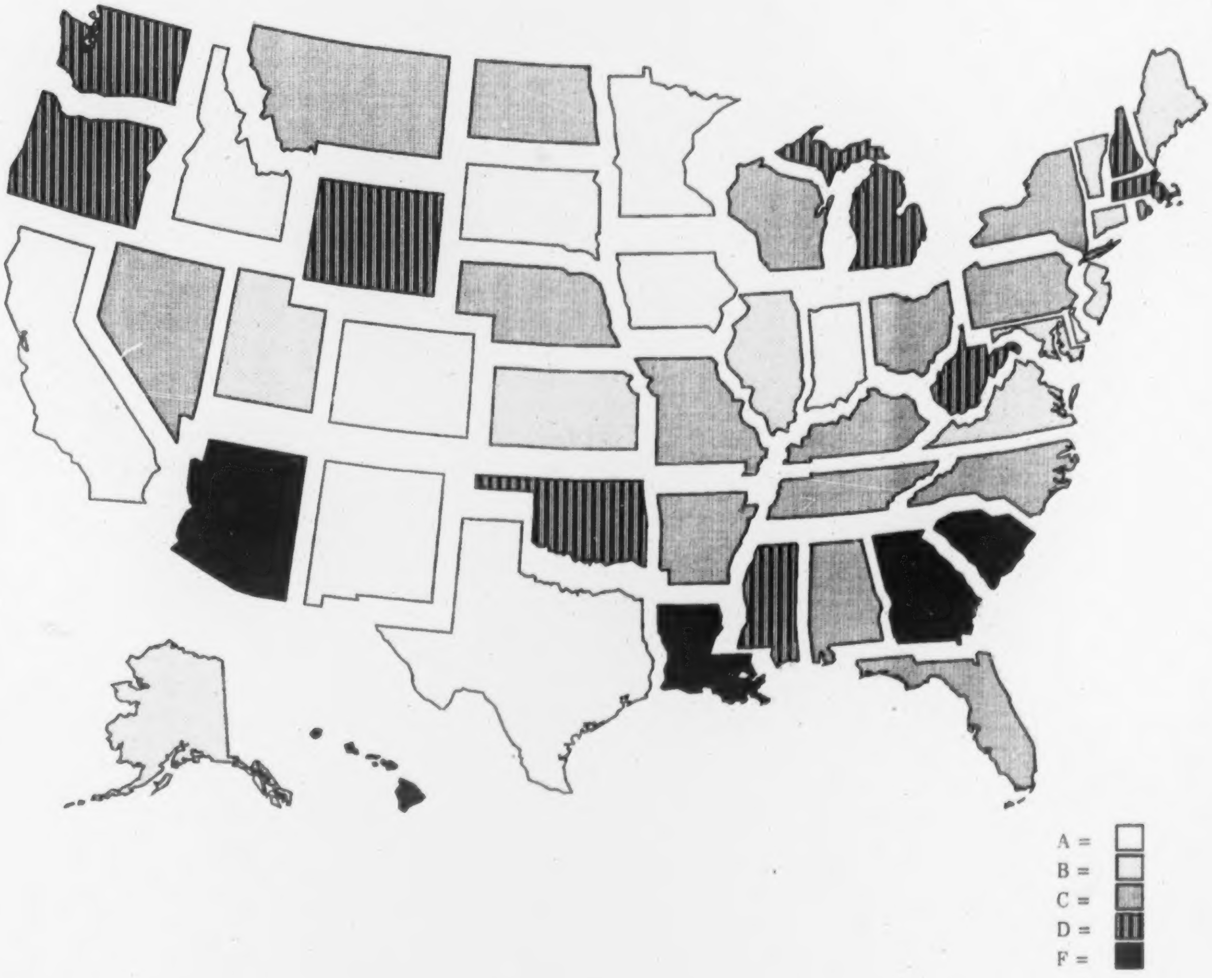


For more information on how grades and ranks are calculated, see the Methodology section.
For detailed information on this index, refer to the Economic Performance Index section.

1992 Economic Performance Report Card

Overall Index Grade	Overall Index Rank		Employment Subindex Rank	Employment Subindex Grade	Earnings & Job Quality Subindex Rank	Earnings & Job Quality Subindex Grade	Equity Subindex Rank	Equity Subindex Grade
A	1	Nevada	1	A	20	B	2	A
	2	Maryland	5	A	5	A	14	B
	3	Delaware	11	B	13	B	1	A
	4	Washington	13	B	14	B	4	A
	5	Nebraska	4	A	21	C	10	A
	6	Hawaii	2	A	3	A	32	C
	7	Wisconsin	15	B	18	B	7	A
	8	Connecticut	37	D	1	A	3	A
	9	Oregon	19	B	15	B	11	B
	9	Utah	7	A	29	C	9	A
B	11	Minnesota	11	B	10	A	26	C
	12	New Hampshire	32	C	11	B	5	A
	13	Vermont	21	C	9	A	22	C
	13	Kansas	20	B	27	C	5	A
	15	Pennsylvania	37	D	6	A	11	B
	16	New Jersey	39	D	2	A	14	B
	17	North Carolina	7	A	29	C	24	C
	18	Iowa	31	C	22	C	8	A
	19	Idaho	7	A	36	D	19	B
	20	Indiana	10	A	36	D	18	B
	20	Rhode Island	44	D	7	A	13	B
C	22	Maine	29	C	19	B	17	B
	23	Virginia	3	A	26	C	42	D
	24	Missouri	17	B	31	C	26	C
	25	Ohio	41	D	16	B	21	C
	26	Illinois	34	C	12	B	34	C
	27	Wyoming	27	C	38	D	16	B
	28	California	22	C	16	B	45	D
	28	Massachusetts	50	F	4	A	29	C
	30	Georgia	24	C	24	C	40	D
	31	Michigan	45	D	24	C	20	B
	32	Florida	15	B	33	C	44	D
	33	Colorado	28	C	22	C	43	D
	34	New York	48	F	8	A	39	D
	34	South Carolina	14	B	41	D	40	D
	34	Arizona	5	A	44	D	46	F
D	37	North Dakota	35	C	31	C	31	C
	38	Tennessee	17	B	35	C	46	F
	39	Texas	23	C	39	D	37	D
	39	South Dakota	30	C	46	F	23	C
	41	Alabama	26	C	42	D	37	D
	42	Kentucky	48	F	27	C	33	C
	43	Montana	36	D	48	F	25	C
	44	West Virginia	47	F	33	C	36	D
	45	Alaska	42	D	40	D	35	C
F	46	Oklahoma	43	D	47	F	28	C
	47	Arkansas	46	F	45	D	29	C
	48	New Mexico	25	C	50	F	48	F
	49	Louisiana	39	D	43	D	49	F
	50	Mississippi	33	C	49	F	50	F

1992 Business Vitality Index

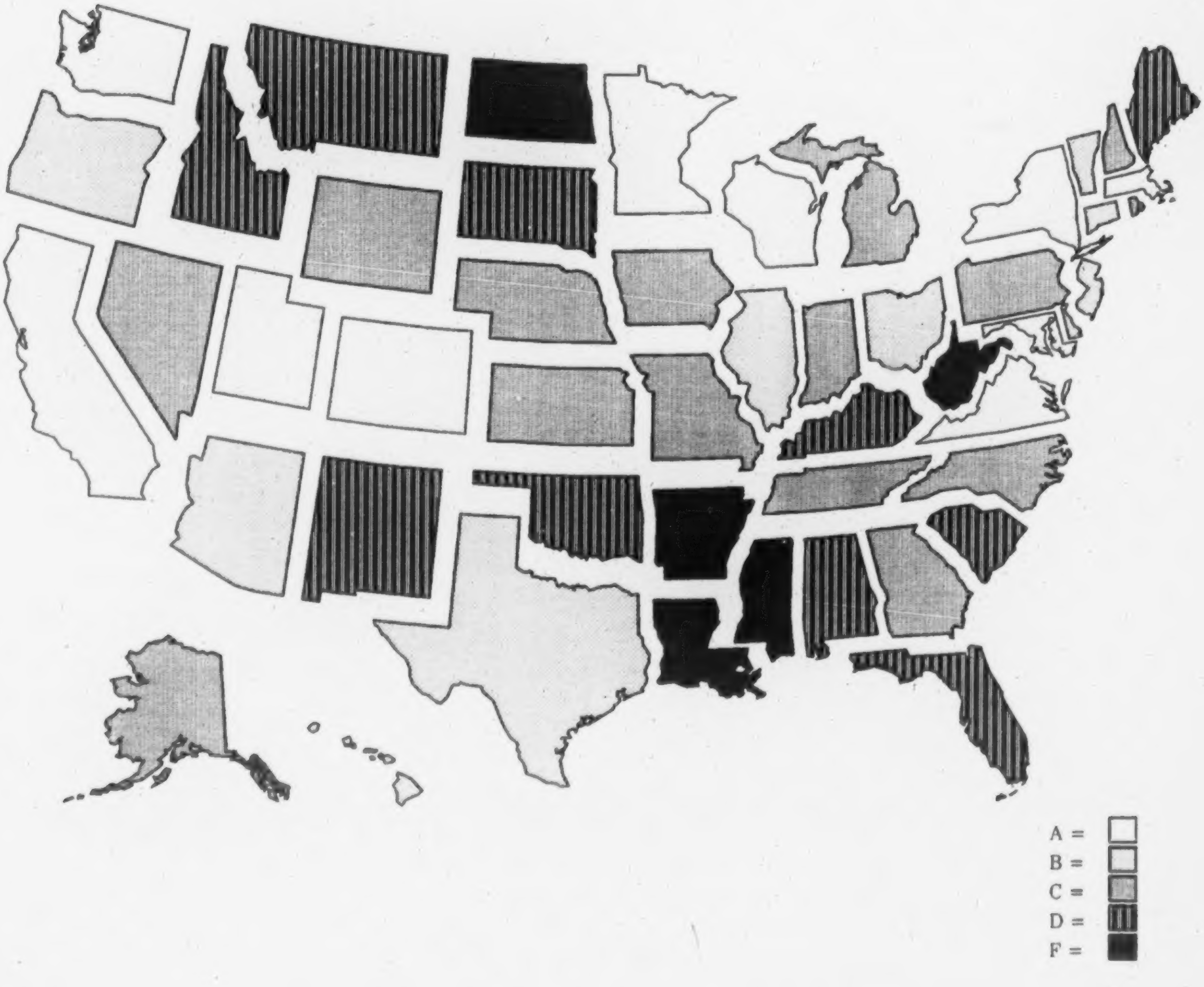


For more information on how grades and ranks are calculated, see the Methodology section.
For detailed information on this index, refer to the Business Vitality Index section.

1992 Business Vitality Report Card

Overall Index			Competiveness of Existing Business Subindex		Entrepreneurial Energy Subindex		Structural Diversity Subindex	
Grade	Rank		Rank	Grade	Rank	Grade	Rank	Grade
A	1	Texas	15	B	5	A	7	A
	2	New Mexico	30	C	4	A	2	A
	3	Iowa	10	A	14	B	17	B
	3	Colorado	19	B	21	C	1	A
	5	Minnesota	4	A	20	B	20	B
	6	Indiana	2	A	33	C	13	B
	7	Idaho	3	A	3	A	43	D
	8	California	19	B	1	A	32	C
	9	Delaware	1	A	22	C	36	D
	10	South Dakota	18	B	17	B	25	C
B	11	Utah	47	F	8	A	7	A
	12	Kansas	30	C	16	B	17	B
	12	New Jersey	14	B	32	C	17	B
	14	Alaska	6	A	10	A	49	F
	15	Connecticut	7	A	35	C	26	C
	16	Vermont	23	C	5	A	42	D
	17	Illinois	9	A	49	F	13	B
	17	Maine	28	C	27	C	16	B
	19	Virginia	41	D	28	C	3	A
	20	Maryland	35	C	15	B	23	C
C	21	Pennsylvania	21	C	47	F	6	A
	21	Nevada	13	B	11	B	50	F
	23	Alabama	23	C	42	D	11	B
	24	New York	26	C	38	D	15	B
	24	Wisconsin	5	A	40	D	34	C
	26	Kentucky	30	C	41	D	9	A
	26	Nebraska	23	C	24	C	33	C
	26	North Dakota	10	A	26	C	44	D
	29	Tennessee	28	C	43	D	10	A
	30	Ohio	17	B	44	D	21	C
	30	Missouri	44	D	33	C	5	A
	30	Montana	41	D	11	B	30	C
	33	Florida	50	F	7	A	26	C
	34	Arkansas	36	D	25	C	23	C
	35	North Carolina	38	D	36	D	11	B
	35	Rhode Island	46	F	11	B	28	C
D	37	Mississippi	37	D	45	D	4	A
	38	Michigan	7	A	50	F	30	C
	39	Massachusetts	12	B	48	F	28	C
	40	Washington	22	C	19	B	48	F
	41	New Hampshire	44	D	9	A	37	D
	42	West Virginia	16	B	30	C	45	D
	43	Wyoming	48	F	1	A	46	F
	44	Oregon	39	D	18	B	40	D
	45	Oklahoma	41	D	23	C	34	C
F	46	Georgia	39	D	39	D	22	C
	47	Louisiana	27	C	37	D	41	D
	48	Hawaii	34	C	31	C	47	F
	49	South Carolina	30	C	45	D	38	D
	50	Arizona	49	F	28	C	39	D

1992 Development Capacity Index



For more information on how grades and ranks are calculated, see the Methodology section. For detailed information on this index, refer to the Development Capacity Index section.

1992 Development Capacity Report Card

Overall Index			Human Resources Subindex		Technology Resources Subindex		Financial Resources Subindex		Infra./Amenity Resources Subindex	
Grade	Rank		Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade
A	1	Minnesota	2	A	13	B	5	A	3	A
	2	Washington	3	A	16	B	15	B	2	A
	3	Utah	1	A	5	A	34	C	1	A
	4	Massachusetts	10	A	1	A	3	A	32	C
	5	Colorado	5	A	2	A	38	D	6	A
	6	Virginia	19	B	11	B	20	B	5	A
	7	New York	39	D	8	A	2	A	8	A
	8	California	27	C	7	A	5	A	19	B
	9	Maryland	26	C	4	A	17	B	13	B
	10	Wisconsin	15	B	23	C	16	B	9	A
B	11	Illinois	28	C	18	B	8	A	10	A
	12	Connecticut	17	B	3	A	11	B	34	C
	13	Vermont	3	A	14	B	26	C	25	C
	14	Oregon	17	B	22	C	12	B	19	B
	15	Delaware	30	C	10	A	4	A	28	C
	16	Hawaii	13	B	25	C	18	B	17	B
	17	Ohio	35	C	19	B	14	B	6	A
	18	New Jersey	24	C	14	B	13	B	31	C
	19	Texas	40	D	20	B	23	C	4	A
	20	Arizona	20	B	17	B	37	D	14	B
C	21	Pennsylvania	29	C	12	B	9	A	39	D
	22	Michigan	34	C	21	C	18	B	18	B
	23	Rhode Island	36	D	9	A	1	A	49	F
	24	North Carolina	43	D	28	C	10	A	23	C
	25	New Hampshire	10	A	23	C	31	C	48	F
	26	Missouri	32	C	30	C	25	C	26	C
	26	Tennessee	46	F	31	C	22	C	14	B
	26	Iowa	16	B	28	C	42	D	27	C
	29	Kansas	6	A	41	D	29	C	38	D
	29	Alaska	12	B	32	C	41	D	29	C
	31	Georgia	41	D	37	D	21	C	16	B
	32	Nevada	22	C	38	D	36	D	21	C
	33	Nebraska	9	A	34	C	40	D	35	C
	33	Indiana	33	C	33	C	30	C	22	C
	35	Wyoming	7	A	35	C	47	F	32	C
D	36	Montana	8	A	38	D	39	D	37	D
	37	South Dakota	21	C	48	F	7	A	47	F
	38	Idaho	23	C	26	C	32	C	45	D
	39	New Mexico	36	D	6	A	50	F	40	D
	40	Florida	38	D	36	D	35	C	24	C
	41	South Carolina	49	F	46	F	28	C	12	B
	42	Kentucky	45	D	50	F	33	C	10	A
	43	Alabama	47	F	27	C	24	C	42	D
	44	Oklahoma	30	C	38	D	44	D	29	C
	45	Maine	25	C	44	D	27	C	46	F
F	46	North Dakota	13	B	41	D	45	D	44	D
	47	West Virginia	42	D	45	D	46	F	42	D
	47	Louisiana	48	F	43	D	48	F	36	D
	49	Arkansas	44	D	49	F	49	F	41	D
	50	Mississippi	50	F	47	F	43	D	50	F

Regional
Findings

Regional Findings

The following is a regional listing of states and state abbreviations found in the *1992 Development Report Card.*

The Northeast

Connecticut	CT
Delaware	DE
Maine	ME
Maryland	MD
Massachusetts	MA
New Hampshire	NH
New Jersey	NJ
New York	NY
Rhode Island	RI
Vermont	VT

The Industrial Midwest

Illinois	IL
Indiana	IN
Michigan	MI
Minnesota	MN
Missouri	MO
Ohio	OH
Pennsylvania	PA
Wisconsin	WI

The Plains

Iowa	IA
Kansas	KS
Nebraska	NE
North Dakota	ND
Oklahoma	OK
South Dakota	SD
Texas	TX

The South

Alabama	AL
Arkansas	AR
Florida	FL
Georgia	GA
Kentucky	KY
Louisiana	LA
Mississippi	MS
North Carolina	NC
South Carolina	SC
Tennessee	TN
Virginia	VA
West Virginia	WV

The Mountain West

Arizona	AZ
Colorado	CO
Idaho	ID
Montana	MT
Nevada	NV
New Mexico	NM
Utah	UT
Wyoming	WY

The Pacific

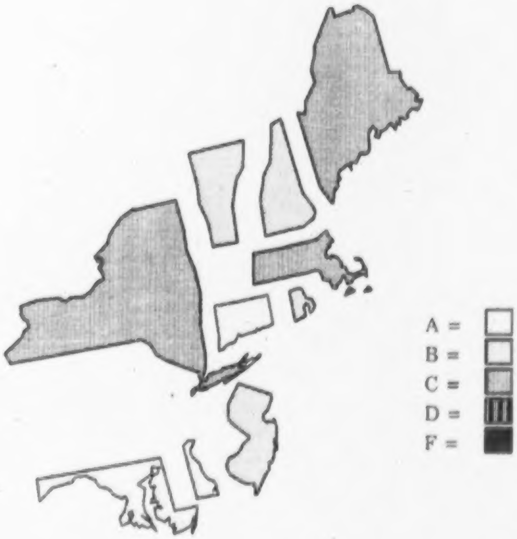
Alaska	AK
California	CA
Hawaii	HI
Oregon	OR
Washington	WA

The Northeast

ME
VT
NH
MA
NY
RI
CT
NJ
DE
MD

Summary

The Report Card for the Northeast is as intriguing for what it doesn't show as for what it does. Several states post stunning recession-driven drops in economic performance and business vitality this year, but there are few Fs, reflecting an underlying strength in these complex industrial economies. More worrisome than short-term performance, however, is the long-term effect of massive state budget deficits on needed investment in economic building blocks: infrastructure, education, technology, and amenities.

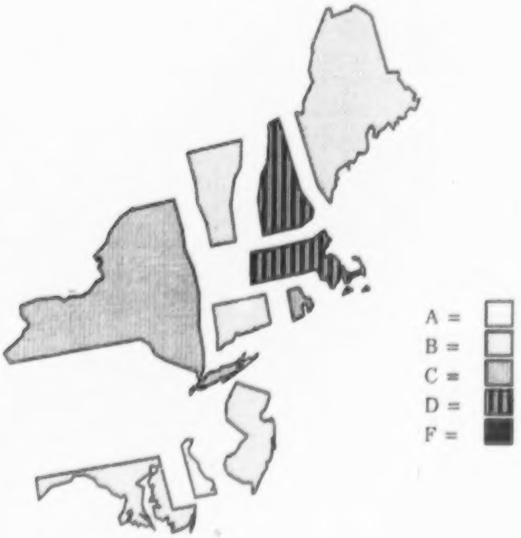


Economic Performance

- The Northeast drops dramatically in employment rankings from 1991, itself a poor year. This year MA ranks 50th in employment nationwide, down 13 places from 1991. Others also post steep declines: NH (-24), ME (-25), NJ (-13), NY (-16).
- Earnings and job quality are excellent, however, reflecting strong capacity fundamentals and generally good business vitality despite recession; region gets seven As, three Bs in earnings, nothing lower.
- Equity, the distribution of economic opportunity, is good in all states but NY, MA, and to a lesser extent VT.

Strength	**Weakness**
Earnings	*Employment*
Equity	

Business Vitality Index



Strength

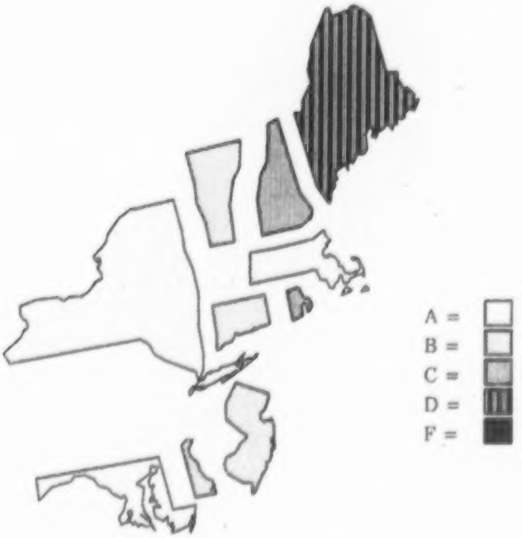
-

Weakness

-

- NH, RI, and MA have the lowest grades, but a deeper story exists. The F and near-F grades the development-driven RI and NH economies receive in competitiveness of existing business reveals the dependency of these "satellite states" on the eastern MA industrial base. In contrast, MA, with its more complex business mix, gets a B in the Business Competitiveness subindex despite its economic troubles.
- The region's most complex economies – MA, CT, NY, and NJ – have relatively low levels of entrepreneurship while NH, RI, and ME have high levels. Given the current collapse of these smaller economies, this may well be the "entrepreneurship of necessity" – people creating their own businesses because there is no other way to earn a living.

Development Capacity Index



Strength

Financial Resources
Technology Resources

Weakness

-

- Only three Northeast states earn development capacity grades below B: ME, NH, and RI. Having invested inconsistently in their own economic fundamentals, they have fewer of the building blocks needed to create independent economic momentum and may languish until MA revives.
- The more heavily-developed Northeastern states do have a weak link, however – human resources. All but MA and CT score C or D grades in what may be the most important determinant of future economic prospects in a quality- and technology-driven economy.
- The region is weakest in physical infrastructure and amenity capacity, with all but two states (MD and NY) earning Cs or worse and three (NH, RI, and ME) with Fs.

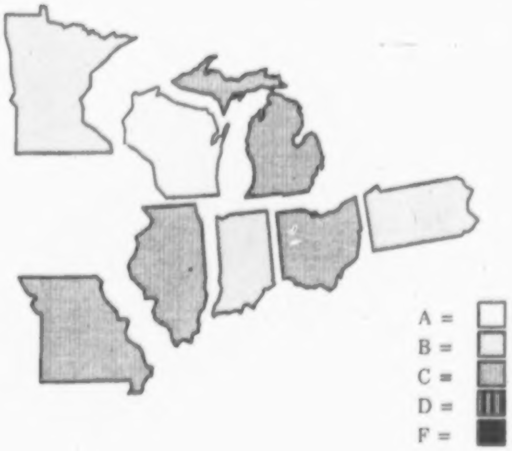
The Industrial Midwest

MN
WI
MI
PA
IL
IN
OH
MO

Summary

The Industrial Midwest is the "turnaround region." Hammered by the last recession, it has worked on its liabilities, built upon its assets, and created an economy healthier today than most would have predicted possible a decade ago. In two indexes, economic performance and development capacity, it received no grades lower than C, and in the third, business vitality, 88% of its grades are C or above. Minnesota, with perhaps the region's most advanced economy, narrowly missed earning As in all three indexes.

Economic Performance Index

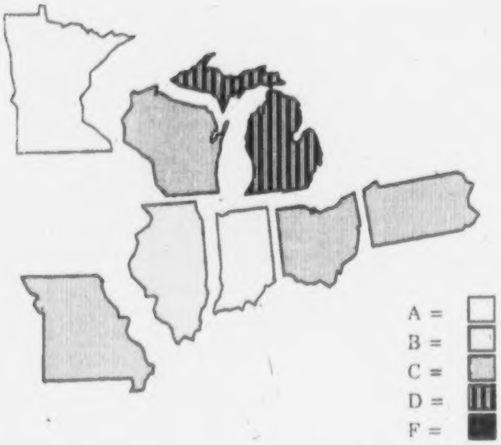


- While the Midwest has not escaped the recession, especially states closely tied to the auto industry and other high-ticket consumer durables, the damage is less severe than in the Northeast. Indeed all but two of the states (MI and PA) posted healthy gains since last year.
- As expected with high-value economies, most of the states in this region are creating jobs that pay well, with one exception. Indiana has been creating new jobs at an exceptionally high rate (10th in the nation), but the quality of these jobs is much lower than average (IN earnings and job quality have declined sharply, to 36th).

Strength	**Weakness**
Earnings *Equity*	-

Business Vitality Index

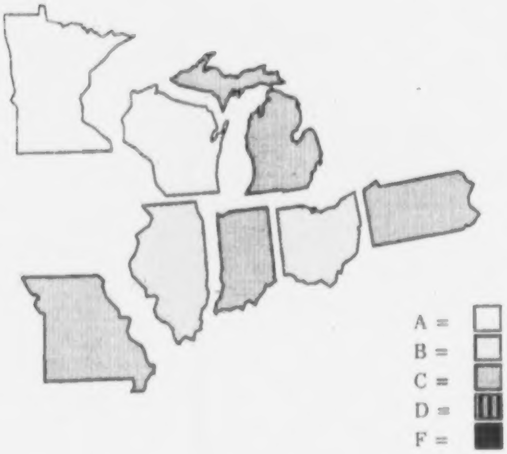
- The most intriguing finding is the increased competitiveness of most of the region's businesses. Five of the eight states (MI, WI, IL, IN, and MN) earned As in this subindex this year; only one did last year.
- MI does poorly in business vitality, but for unexpected reasons; manufacturing investment is high, as the auto industry retools, but entrepreneurship is lower in the state than anywhere else in the nation. The same pattern exists in PA, WI, OH, and IL – all are still "factory economies".
- MO also scores below average in entrepreneurship but has a more troubling problem: it just misses getting an F in competitiveness because manufacturing investment is among the lowest in the nation and its traded sector industries are slipping – it's a factory economy with poor prospects.



Strength	Weakness
Business Competitiveness	*Entrepreneurial Energy*
Structural Diversity	

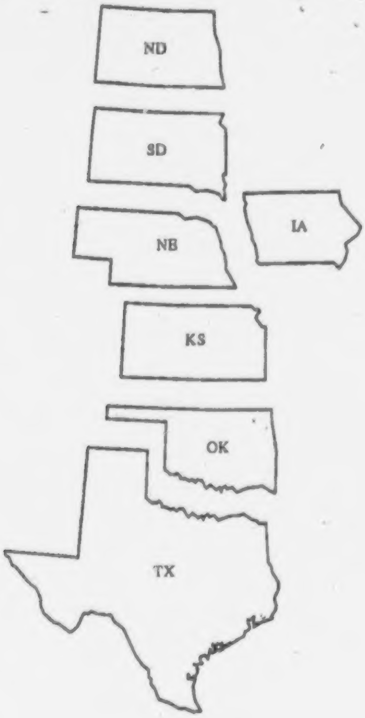
Development Capacity Index

- Of the six regions, the Industrial Midwest ties the Pacific for first place in development capacity, with no index grades below a C and, in fact, only one of 32 subindex grades below C. That is good news. Not only does it explain the region's ability to climb out of the hole of the last recession, but it provides an excellent foundation for future growth.
- Like the Northeast, the Industrial Midwest's weak link is human resource capacity. Though the situation is not as extreme, six of eight states earn only Cs in that subindex – not good news if the existing workforce is to grasp the new production technologies in which the region is investing.



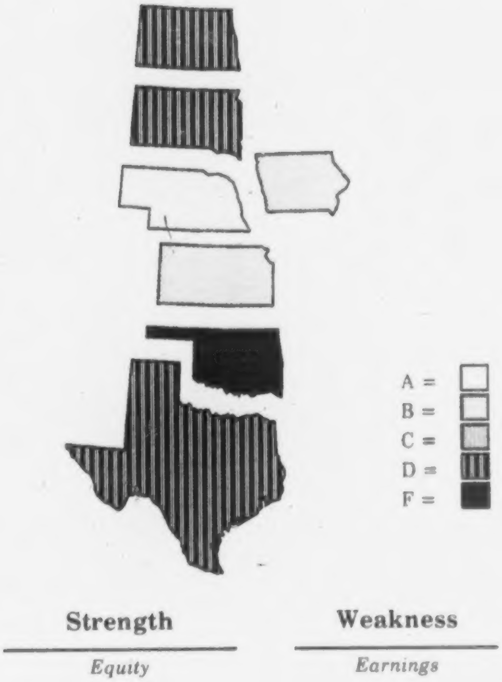
Strength	Weakness
Financial Resources	–
Technology Resources	
Infra. & Amenity	

The Plains



Summary

A region with a split personality. The core farm belt states – Iowa, Nebraska, and Kansas – have rallied since the farm crisis of the mid-1980s and have healthy economies today. Their neighbors to the north and south – the Dakotas and Oklahoma – are less robust, with Oklahoma receiving some of the lowest grades in the nation. Texas goes its own way: it is number one in business vitality, but economic performance is disappointing, with a sluggish employment picture that cannot offset very low earnings and equity rankings.

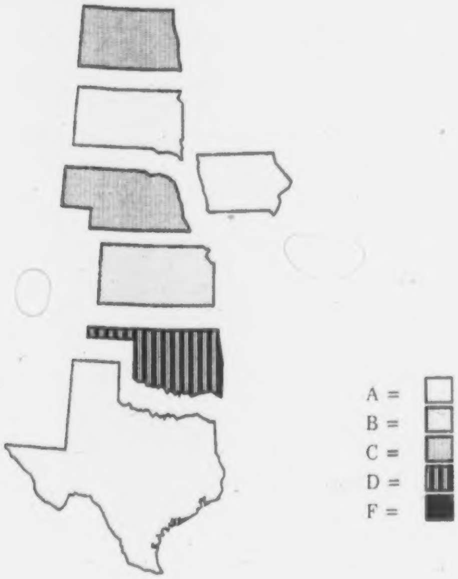


Economic Performance Index

- The bi-polarity of the Plains is strongest in performance, with the core states (IA, NE, and KS) earning only As and Bs and their neighbors to the north and south earning only Ds and Fs. In fact, the Plains states are tied with the South for the lowest grades in economic performance. This disparity exists in all three subindexes but is more apparent in equity, where the core states earn As but the others earn Cs or Ds.
- All seven Plains states, however, are weak in earnings; none receives higher than a C. For the states with Cs (ND, KS, NE, and IA), a generally lower cost of living probably offsets these average or below-average grades. But the states with Ds and Fs (SD, OK, and TX) cannot make the same claim.

Business Vitality Index

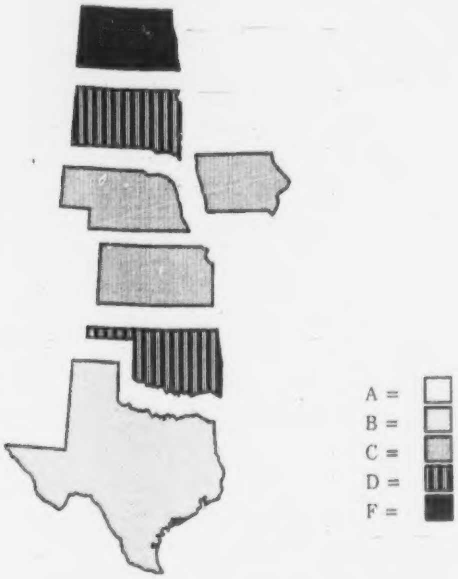
- The Plains states are tied with the Northeast for the lead in total As and Bs in business vitality. In fact, nationwide, many of the largest gains in vitality grades since last year are in the Plains states.
- Entrepreneurship is also strong in the growth of existing small firms, but not new business formation, which is far below average in every Plains state but TX.
- Given the traditional dominance of agriculture, four states post surprisingly strong economic diversity grades: TX, IA, SD, and KS receive As and Bs, and ND and NE are close behind with Cs.



Strength	Weakness
Business Competitiveness *Entrepreneurial Energy*	-

Development Capacity Index

- The Plains states' generally well-educated population has always been its greatest economic asset – which is good, because every state but TX scores well below average in virtually every other capacity indicator. In fact, only the South has a higher percentage of grades C or below and the difference is slight.
- TX, with a complex and increasingly technology-intensive economy and a more diversified agriculture sector, is the Plains' maverick, scoring poorly in human resources but well in all others.



Strength	Weakness
Human Resources	*Technology Resources* *Infra. & Amenity* *Financial Resources*

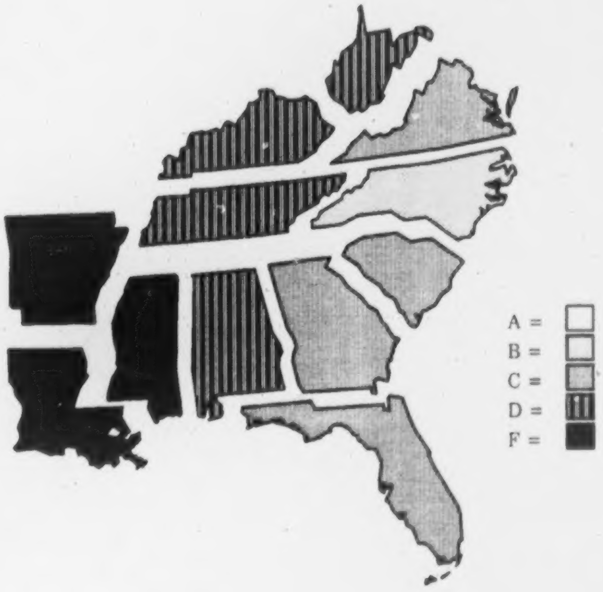
The South

WV
VA
KY
NC
TN
AR
SC
GA
MS
AL
LA
FL

Summary

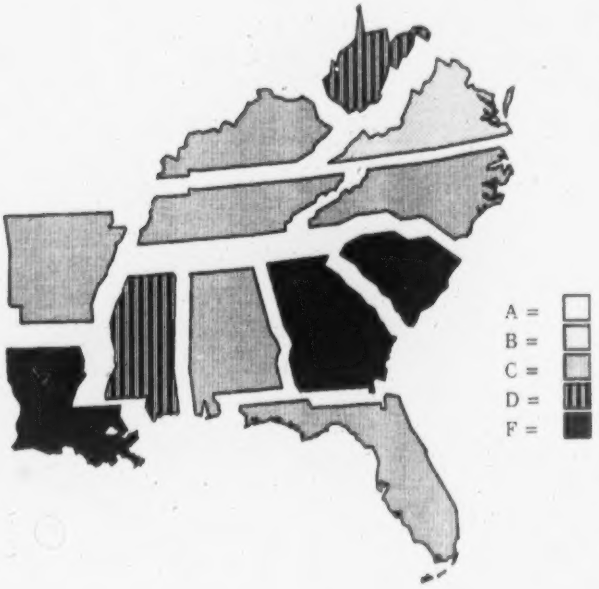
The South continues to languish in the lower reaches of the Report Card, scoring C or lower in more than 90% of its grades in all three indexes. With only marginally competitive industries, it has been hit hard by the current recession. Moreover, with capacity resources still weaker than any other region, the South is less prepared than other regions to take advantage of an upturn in the economy when it next occurs.

Economic Performance Index



Strength	**Weakness**
-	*Earnings* *Equity*

- Although 92% of the South's economic performance grades are C or lower, the distribution of those grades, particularly subindex grades in employment, is sharply divided. Many Southeastern states (FL, NC, SC, and VA) score A and B grades, while most Gulf and Appalachian states (LA, MS, AL, WV, KY, and AR) score C or lower. Earnings grades follow the same pattern, but less dramatically.
- Many southern states still have wide disparities between employment and earnings, demonstrating that the region's tradition and legacy of low-wage job creation is tenacious.
- The distribution of economic opportunities is a long standing problem in the South. Two states (AR and KY) have posted sharp one to two grade improvements in equity since last year.



Strength

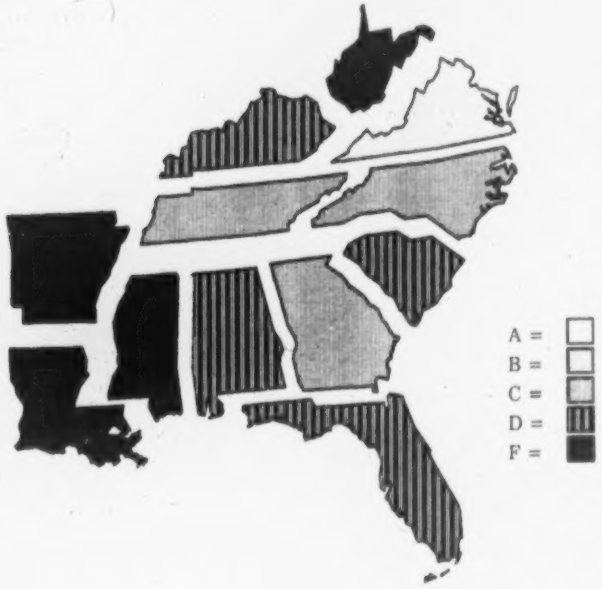
Structural Diversity

Weakness

Entrepreneurial Energy
Business Competitiveness

Business Vitality Index

- Business vitality, low to begin with, dropped still further this year in seven out of twelve southern states, five of them (AL, NC, GA, FL, and SC) by double-digits. Although many southern states have quite diversified economies, the "branch plant" structure of these economies makes them easy targets for cutbacks and shutdowns by distant owners, a trend that has been underway for years but has accelerated during the recession.
- Entrepreneurship is extremely low in all but one southern state (FL) and has dropped sharply since last year in almost all of these states. The exception is AR, which rises sharply from a near-F last year to a high C this year.



Strength

-

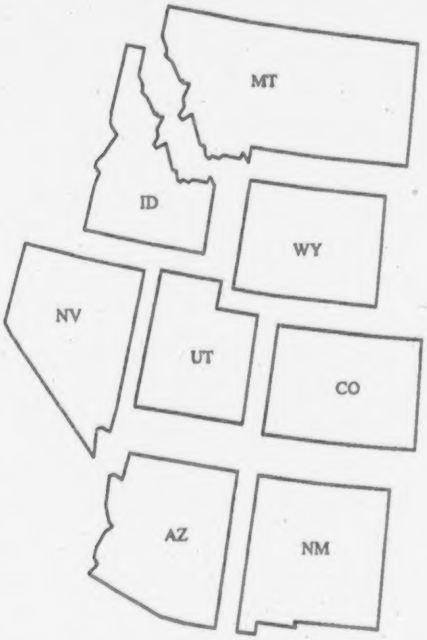
Weakness

Human Resources
Technology Resources
Financial Resources

Development Capacity Index

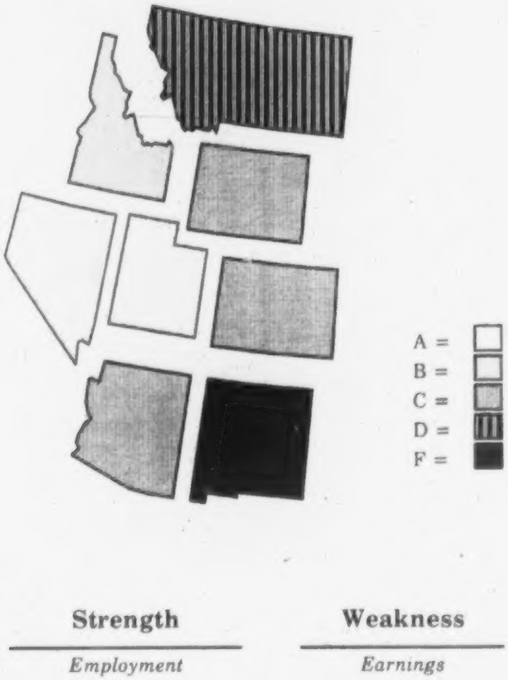
- Development capacity is the South's most crippling economic weakness, a legacy of decades of underinvestment that today, in an era of persistent budget deficits, seems impossible to overcome. In the South, 67% of capacity grades are D or lower. The exception, and a notable one with a solid A overall in this index, is VA, which has used the benefits of being at the southern tip of the eastern "megalopolis" to strengthen its development capacity across the board.
- TN has also risen in the capacity rankings, principally because of a sharp improvement in infrastructure resources.
- The South's weakest capacity resources are the ones it will need most in the years to come: its human resources. No state but VA gets more than a D in this critical indicator and five get Fs.

The Mountain West



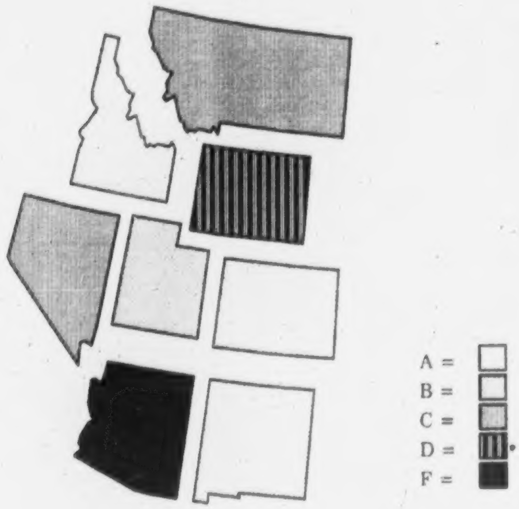
Summary

The Mountain West may have the most uneven Report Card grades in the nation, with strong business vitality in some states yet a generally weak overall economic performance pattern. It has a few outstanding performers (Utah, Colorado, and Nevada) but more that are performing below average. And like their neighbors to the east, many of these states have weak fundamentals – a liability that surfaces quickly when population growth-driven development tapers off.



Economic Performance Index

- Generally strong performance in employment (only MT earns below a C), but weakness in earnings (only NV earns better than a C).
- Four states earn As in employment (UT, NV, ID, and AZ), but the low wages and benefits offered by jobs in these economies create staggering 20- to 40-point disparities between employment and earnings rankings.
- Wide range in equity – four states earn As or Bs (ID, NV, UT, and WY) while three states earn Ds or Fs (AZ, CO, and NM).



Strength

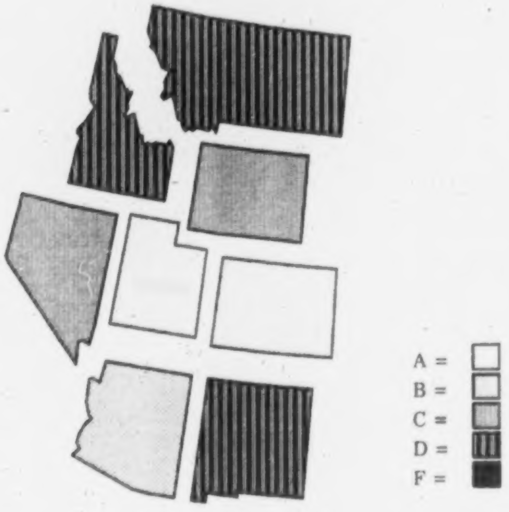
Entrepreneurial Energy

Weakness

Business Competitiveness

Business Vitality Index

- The Mountain West is a national leader in entrepreneurship, but extremely low business competitiveness rankings (and low earnings in the performance index) suggest strongly that much of the apparent new business development is "entrepreneurship of necessity." The greatest disparities are in MT, UT, WY, and NM. Only ID scores As in both entrepreneurship and competitiveness; NV scores Bs in both.
- Diversity is a problem for four of the region's eight states: WY and NV get Fs, AZ and ID low Ds. MT does a little better, with a low C. Three other states (CO, UT, and NM) earn solid As.



Strength

Human Resources

Weakness

Financial Resources

Development Capacity Index

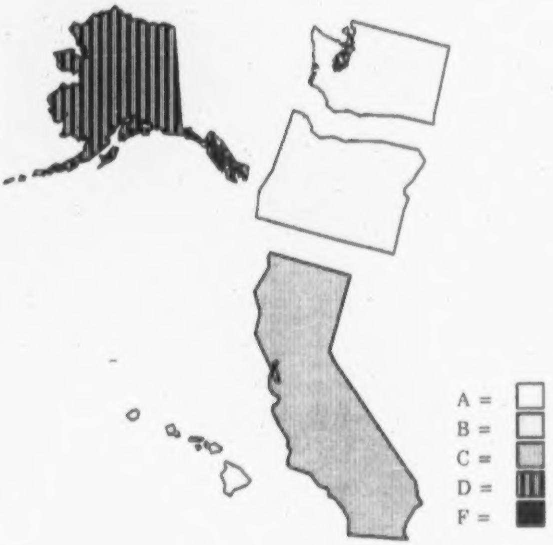
- With two notable exceptions – CO and UT (and to a lesser extent AZ) – Mountain states score below average overall in development capacity.
- With a population that has high levels of education, human resource capacity has long been the region's strong suit (NM, with a D, is the sole exception).
- Three states (CO, NM, and UT) also earn As in technology resources, but these grades rest to a large extent on federal defense research investments and personnel – an uncertain foundation on which to build for the future.
- The weakest link is financial capacity, with all but two states earning Ds and Fs and the exceptions (UT and ID) earning low Cs.

The Pacific

AK
WA
OR
CA
HI

Summary

Perhaps no region has more potential for greatness than the Pacific. While its current economic performance is strong (second only to the Northeast), its capacity – its economic building blocks – surpasses any other region. However, principally because most of its state economies rest on the fortunes of one or two industries, it also has the lowest business vitality rankings in the nation. As long as these industries thrive, the region will boom; if they slump the region will be in trouble. It need look no farther than Alaska for proof.

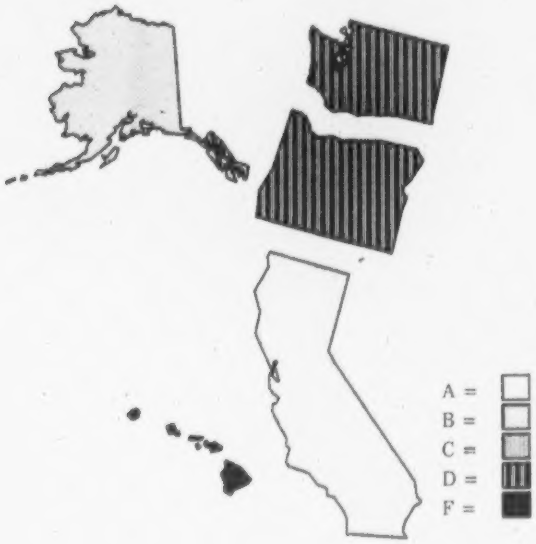


Economic Performance Index

- For HI and the Pacific Northwest, the current economic performance picture is still bright; employment and earnings are high and, except for HI's C, equity is good too. Thanks to these states, the Pacific region's percentage of A grades is twice as high as any other.
- The recession has hit CA hardest; the state dropped a full grade from last year's B, with the real estate and some technology and defense industries suffering most. It also continues to have serious problems with the distribution of income and opportunity within its diverse population; it just misses an F in equity.
- AK continues to struggle with fluctuations in the oil industry and the relative absence of alternatives. It has shown a decline in performance for four years and this year misses an F by only one point.

Strength	**Weakness**
Earnings *Employment*	-

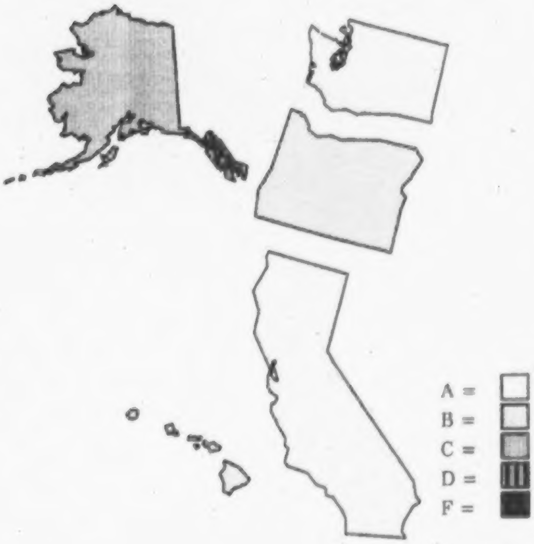
Business Vitality Index



Strength	Weakness
Entrepreneurial Energy	*Structural Diversity*

- Four of the five Pacific states posted declines in business vitality rankings from last year, two of them (OR and WA) in double digits (ironically, AK scored an increase). Indeed, 60% of the region's vitality grades were D or lower, worse than the South. The main culprit was the poor diversity of the economies in the region. But recession-driven contractions in the competitiveness of existing industries are also evident, especially in OR and HI .
- A high degree of entrepreneurship in the region is a strength to build on: CA (no surprise here) and AK get As, OR and WA get Bs. Only Hawaii shows little entrepreneurial energy, scoring a low C.

Development Capacity Index



Strength	Weakness
Human Resources *Infra. & Amenities* *Financial Resources* *Technology Resources*	-

- Development capacity is the Pacific's "ace in the hole." No other region, not even the Northeast, comes close to the 80% A and B capacity grades posted by the Pacific states. Only relatively underdeveloped AK scores lower than a B in these development fundamentals.
- The weakest of the Pacific's capacity building blocks is technology. While CA is the acknowledged leader and WA is not far behind, the other three states score only Cs in this critical resource.

Regional & State Trends: 1988-1992 Economic Performance Index

	1988		1989		1990		1991		1992	
	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade
Northeast										
Connecticut	6	A	5	A	8	A	10	A	8	A
Delaware	8	A	2	A	2	A	6	A	3	A
Maine	9	A	11	B	12	B	7	A	22	C
Maryland	4	A	7	A	6	A	3	A	2	A
Massachusetts	3	A	8	A	4	A	21	C	28	C
New Hampshire	1	A	1	A	1	A	2	A	12	B
New Jersey	5	A	4	A	9	A	5	A	16	B
New York	23	C	19	B	29	C	37	D	34	C
Rhode Island	2	A	5	A	7	A	16	B	20	B
Vermont	7	A	9	A	5	A	17	B	13	B
Industrial Midwest										
Illinois	33	C	30	C	37	D	35	C	26	C
Indiana	11	B	20	B	11	B	22	C	20	B
Michigan	29	C	34	C	31	C	27	C	31	C
Minnesota	14	B	14	B	13	B	18	B	11	B
Missouri	20	B	26	C	29	C	40	D	24	C
Ohio	31	C	24	C	18	B	35	C	25	C
Pennsylvania	19	B	24	C	15	B	13	B	15	B
Wisconsin	17	B	20	B	16	B	9	A	7	A
Plains										
Iowa	34	C	35	C	31	C	23	C	18	B
Kansas	23	C	18	B	21	C	15	B	13	B
Nebraska	32	C	35	C	26	C	12	B	5	A
North Dakota	35	C	28	C	36	D	30	C	37	D
Oklahoma	46	F	47	F	45	D	40	D	46	F
South Dakota	28	C	37	D	42	D	29	C	39	D
Texas	38	D	38	D	41	D	43	D	39	D
South										
Alabama	42	D	41	D	44	D	44	D	41	D
Arkansas	44	D	44	D	43	D	45	D	47	F
Florida	27	C	13	B	17	B	23	C	32	C
Georgia	22	C	28	C	28	C	28	C	30	C
Kentucky	45	D	46	F	47	F	47	F	42	D
Louisiana	49	F	50	F	50	F	50	F	49	F
Mississippi	50	F	49	F	45	D	46	F	50	F
North Carolina	23	C	17	B	21	C	19	B	17	B
South Carolina	35	C	31	C	24	C	23	C	34	C
Tennessee	39	D	33	C	40	D	34	C	38	D
Virginia	13	B	15	B	14	B	19	B	23	C
West Virginia	46	F	48	F	49	F	49	F	44	D
Mountain West										
Arizona	21	C	12	B	23	C	30	C	34	C
Colorado	15	B	40	D	39	D	39	D	33	C
Idaho	42	D	42	D	33	C	33	C	19	B
Montana	41	D	43	D	38	D	48	F	43	D
Nevada	10	A	10	A	10	A	1	A	1	A
New Mexico	46	F	45	D	47	F	40	D	48	F
Utah	16	B	27	C	18	B	13	B	9	A
Wyoming	35	C	39	D	35	C	30	C	27	C
Pacific										
Alaska	39	D	32	C	33	C	37	D	45	D
California	26	C	16	B	18	B	26	C	28	C
Hawaii	12	B	2	A	2	A	3	A	6	A
Oregon	30	C	20	B	25	C	11	B	9	A
Washington	18	B	23	C	26	C	8	A	4	A

Regional & State Trends: 1988-1992
Business Vitality Index

	1988		1989		1990		1991		1992	
	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade
Northeast										
Connecticut	18	B	4	A	11	B	7	A	15	B
Delaware	4	A	1	A	25	C	19	B	9	A
Maine	3	A	10	A	5	A	17	B	17	B
Maryland	5	A	8	A	9	A	9	A	20	B
Massachusetts	14	B	5	A	12	B	12	B	39	D
New Hampshire	2	A	3	A	1	A	1	A	41	D
New Jersey	7	A	7	A	2	A	5	A	12	B
New York	31	C	21	C	10	A	6	A	24	C
Rhode Island	36	D	33	C	31	C	23	C	35	C
Vermont	1	A	2	A	8	A	21	C	16	B
Industrial Midwest										
Illinois	44	D	44	D	27	C	26	C	17	B
Indiana	23	C	19	B	15	B	30	C	6	A
Michigan	27	C	22	C	35	B	42	D	38	D
Minnesota	17	B	24	C	21	B	4	A	5	A
Missouri	48	F	49	F	33	B	35	C	30	C
Ohio	41	D	29	C	40	D	45	D	30	C
Pennsylvania	37	D	39	D	19	B	15	B	21	C
Wisconsin	49	F	37	D	45	D	40	D	24	C
Plains										
Iowa	47	F	50	F	44	D	41	D	3	A
Kansas	33	C	30	C	37	D	36	D	12	B
Nebraska	46	F	47	F	41	D	32	C	26	C
North Dakota	32	C	42	D	49	F	49	F	26	C
Oklahoma	43	D	45	D	47	F	47	F	45	D
South Dakota	45	D	46	F	35	C	26	C	10	A
Texas	15	B	25	C	34	C	24	C	1	A
South										
Alabama	13	B	13	B	17	B	13	B	23	C
Arkansas	19	B	32	C	23	C	42	D	34	C
Florida	20	B	20	B	19	B	15	B	33	C
Georgia	6	A	9	A	3	A	26	C	46	F
Kentucky	30	C	35	C	15	B	32	C	26	C
Louisiana	42	D	43	D	48	F	50	F	47	F
Mississippi	50	F	40	D	23	B	32	C	37	D
North Carolina	28	C	12	B	5	A	2	A	35	C
South Carolina	16	B	6	A	38	D	38	D	49	F
Tennessee	25	C	16	B	5	A	31	C	29	C
Virginia	11	B	15	B	4	A	11	B	19	B
West Virginia	24	C	36	D	43	D	46	F	42	D
Mountain West										
Arizona	12	B	17	B	26	C	26	C	50	F
Colorado	29	C	34	C	12	B	8	A	3	A
Idaho	26	C	27	C	45	D	36	D	7	A
Montana	22	C	31	C	42	D	39	D	30	C
Nevada	38	D	11	B	29	C	13	B	21	C
New Mexico	8	A	28	C	21	C	17	B	2	A
Utah	39	D	26	C	27	C	10	A	11	B
Wyoming	40	D	47	F	50	F	48	F	43	D
Pacific										
Alaska	21	C	14	B	30	C	20	B	14	B
California	10	A	18	B	14	B	3	A	8	A
Hawaii	35	C	38	D	38	D	44	D	48	F
Oregon	34	C	41	D	17	B	21	C	44	D
Washington	9	A	23	C	32	C	24	C	40	D

Regional & State Trends: 1988-1992 Development Capacity Index

	1988		1989		1990		1991		1992	
	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade	Rank	Grade
Northeast										
Connecticut	4	A	8	A	2	A	5	A	12	B
Delaware	8	A	7	A	7	A	7	A	15	B
Maine	43	D	38	D	37	D	43	D	45	D
Maryland	6	A	5	A	10	A	9	A	9	A
Massachusetts	3	A	4	A	3	A	4	A	4	A
New Hampshire	22	C	24	C	22	C	14	B	25	C
New Jersey	9	A	13	B	6	A	10	A	18	B
New York	14	B	11	B	13	B	24	C	7	A
Rhode Island	24	C	25	C	20	B	16	B	23	C
Vermont	12	B	9	A	16	B	20	B	13	B
Industrial Midwest										
Illinois	20	B	12	B	13	B	19	B	11	B
Indiana	41	D	41	D	33	C	36	D	33	C
Michigan	20	B	23	C	29	C	25	C	22	C
Minnesota	1	A	1	A	1	A	1	A	1	A
Missouri	31	C	29	C	33	C	33	C	26	C
Ohio	17	B	17	B	23	C	12	B	17	B
Pennsylvania	10	A	10	A	10	A	10	A	21	C
Wisconsin	16	B	13	B	25	C	31	C	10	A
Plains										
Iowa	35	C	33	C	39	D	35	C	26	C
Kansas	33	C	30	C	36	D	25	C	29	C
Nebraska	25	C	21	C	27	C	25	C	33	C
North Dakota	38	D	31	C	43	D	42	D	46	F
Oklahoma	37	D	42	D	42	D	44	D	44	D
South Dakota	36	D	36	D	32	C	32	C	37	D
Texas	19	B	18	B	17	B	22	C	19	B
South										
Alabama	45	D	45	D	45	D	45	D	43	D
Arkansas	48	F	49	F	48	F	48	F	49	F
Florida	30	C	40	D	41	D	39	D	40	D
Georgia	28	C	38	D	38	D	34	C	31	C
Kentucky	47	F	46	F	47	F	46	F	42	D
Louisiana	45	D	47	F	46	F	47	F	47	F
Mississippi	50	F	50	F	50	F	50	F	50	F
North Carolina	27	C	37	D	24	C	29	C	24	C
South Carolina	42	D	43	D	44	D	41	D	41	D
Tennessee	44	D	44	D	40	D	40	D	26	C
Virginia	11	B	20	B	18	B	16	B	6	A
West Virginia	49	F	48	F	49	F	49	F	47	F
Mountain West										
Arizona	17	B	21	C	21	C	20	B	20	B
Colorado	2	A	2	A	5	A	5	A	5	A
Idaho	38	D	33	C	33	C	28	C	38	D
Montana	31	C	35	C	31	C	38	D	36	D
Nevada	40	D	26	C	25	C	16	B	32	C
New Mexico	26	C	31	C	30	C	36	D	39	D
Utah	22	C	18	B	8	A	3	A	3	A
Wyoming	28	C	27	C	28	C	22	C	35	C
Pacific										
Alaska	33	C	27	C	18	B	30	C	29	C
California	7	A	6	A	12	B	7	A	8	A
Hawaii	15	B	13	B	13	B	14	B	16	B
Oregon	13	B	13	B	9	A	13	B	14	B
Washington	4	A	3	A	4	A	2	A	2	A

State Report
Cards

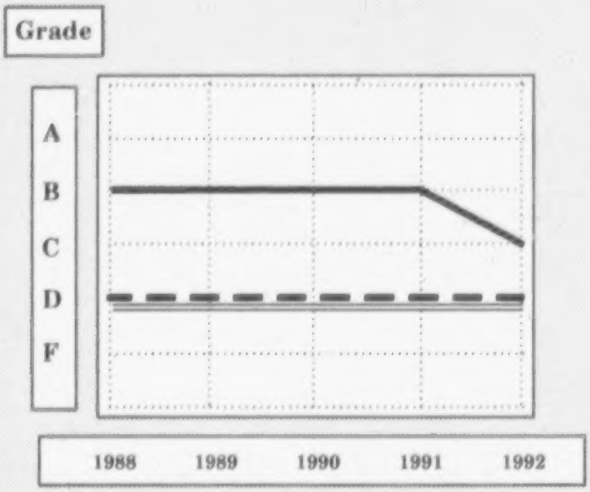
ALABAMA 1992 REPORT CARD

Economic Performance	**D**
Employment	C
Earnings & Job Quality	D
Equity	D

Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	B

Development Capacity	**D**
Human Resources	F
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	D

ALABAMA REPORT CARD TRENDS



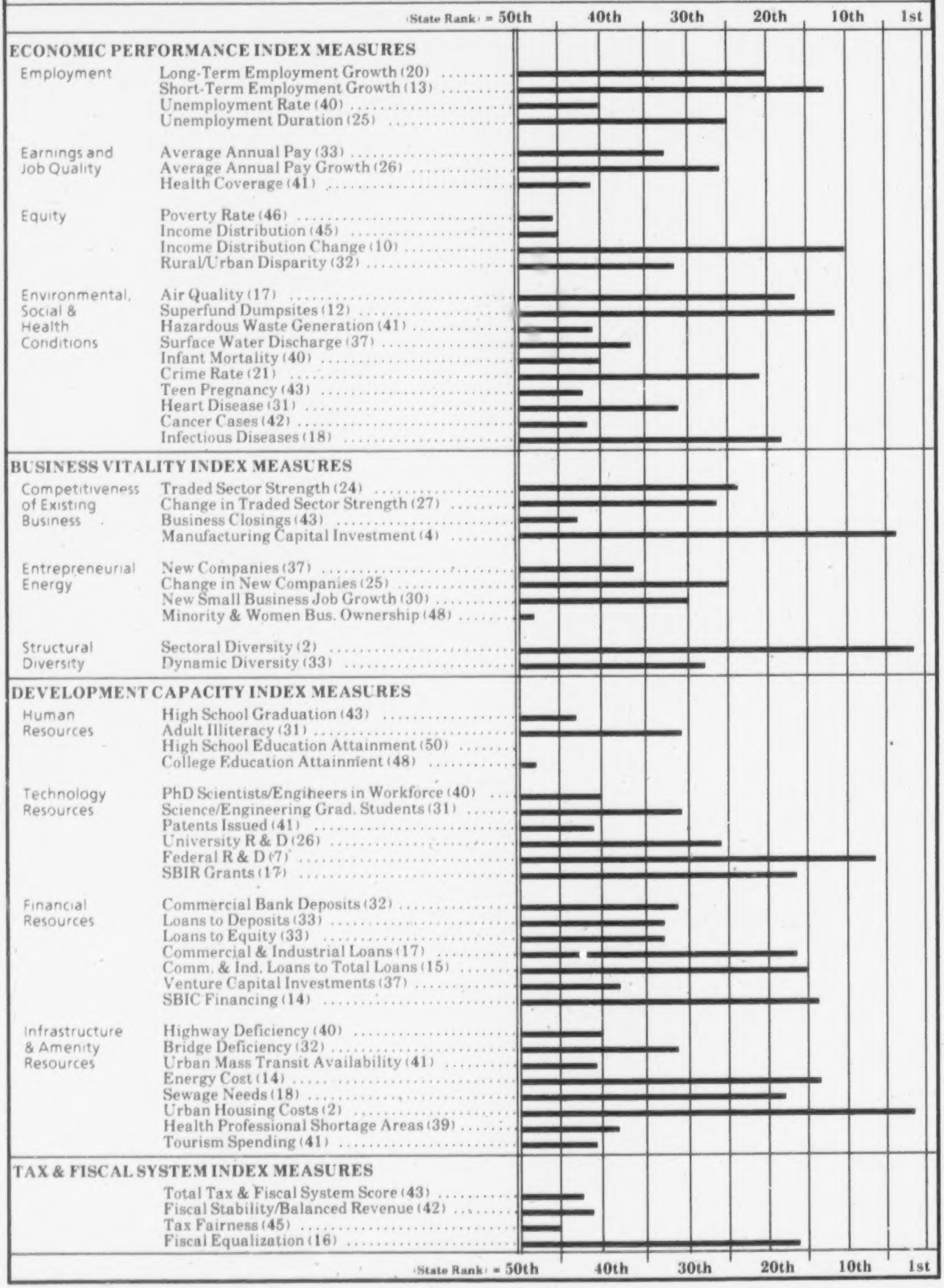
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE ALABAMA RANKS – MEASURE BY MEASURE



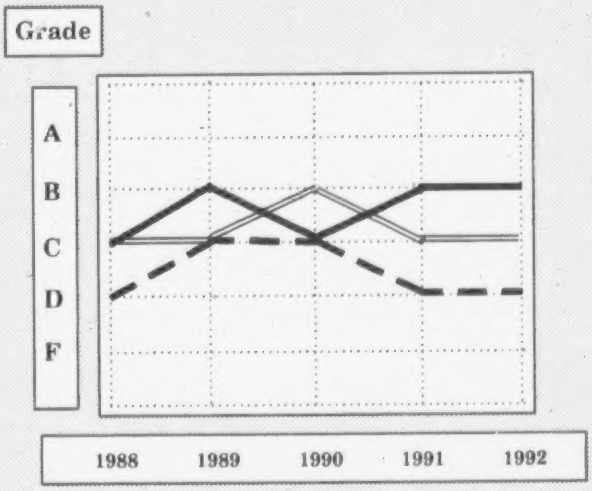
ALASKA 1992 REPORT CARD

Economic Performance	**D**
Employment	D
Earnings & Job Quality	D
Equity	C

Business Vitality	**B**
Business Competitiveness	A
Entreprenurial Energy	A
Structural Diversity	F

Development Capacity	**C**
Human Resources	B
Technology Resources	C
Financial Resources	D
Infra. & Amenity Resources	C

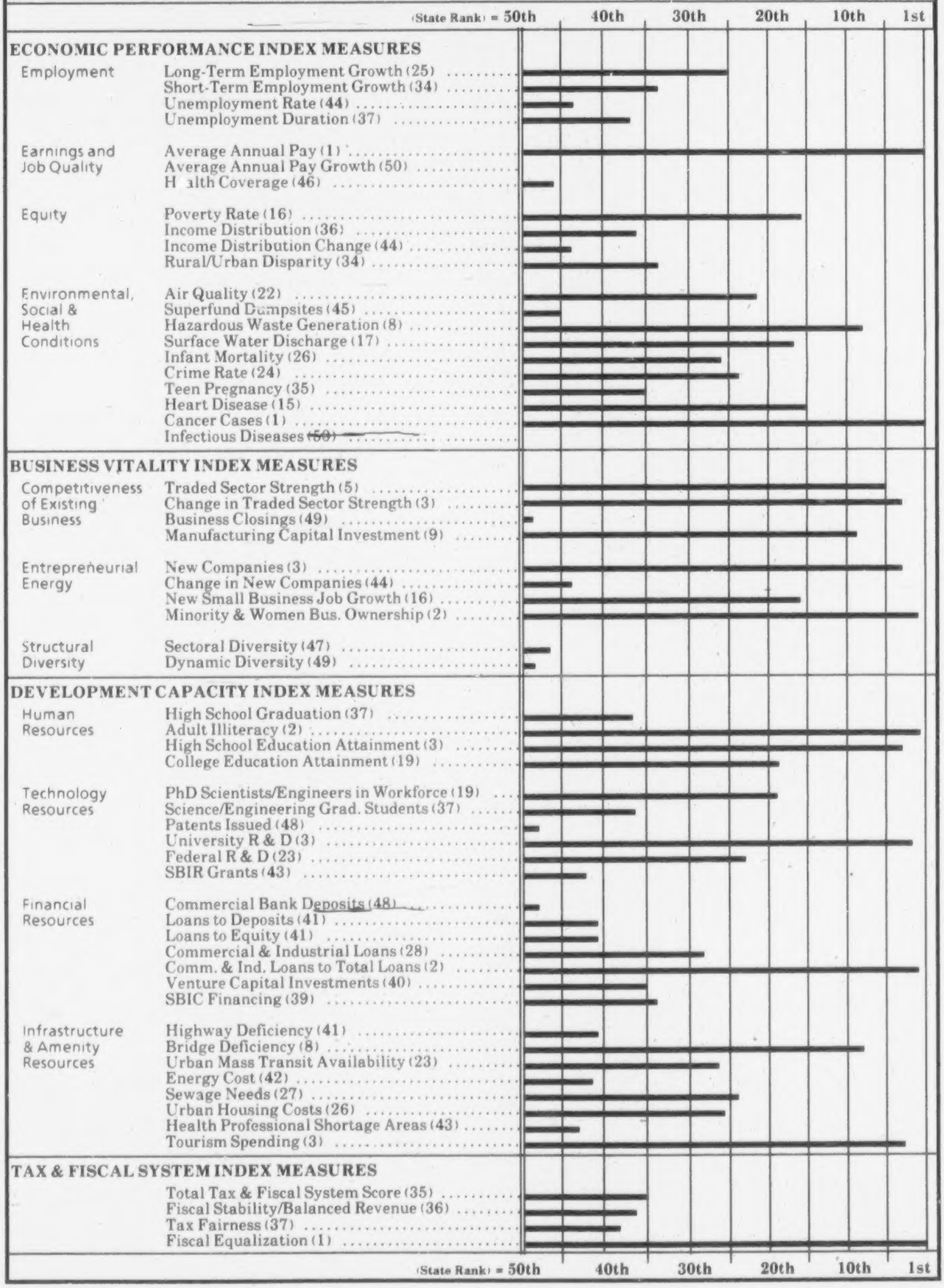
ALASKA REPORT CARD TRENDS



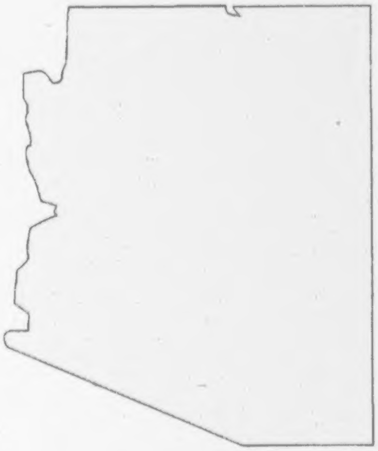
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE ALASKA RANKS – MEASURE BY MEASURE



ARIZONA 1992 REPORT CARD

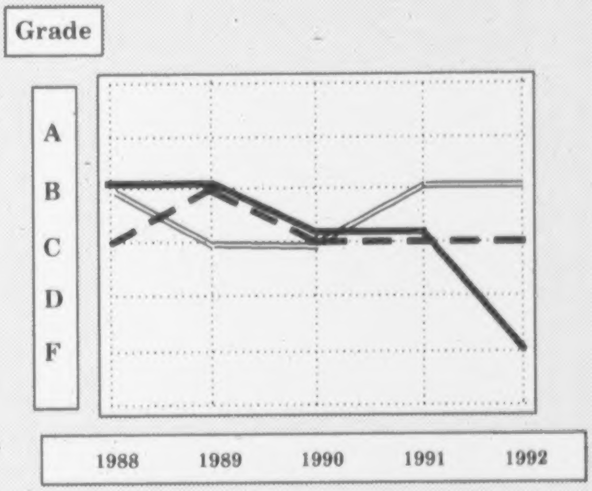


Economic Performance	**C**
Employment	A
Earnings & Job Quality	D
Equity	F

Business Vitality	**F**
Business Competitiveness	F
Entreprenurial Energy	C
Structural Diversity	D

Development Capacity	**B**
Human Resources	B
Technology Resources	B
Financial Resources	D
Infra. & Amenity Resources	B

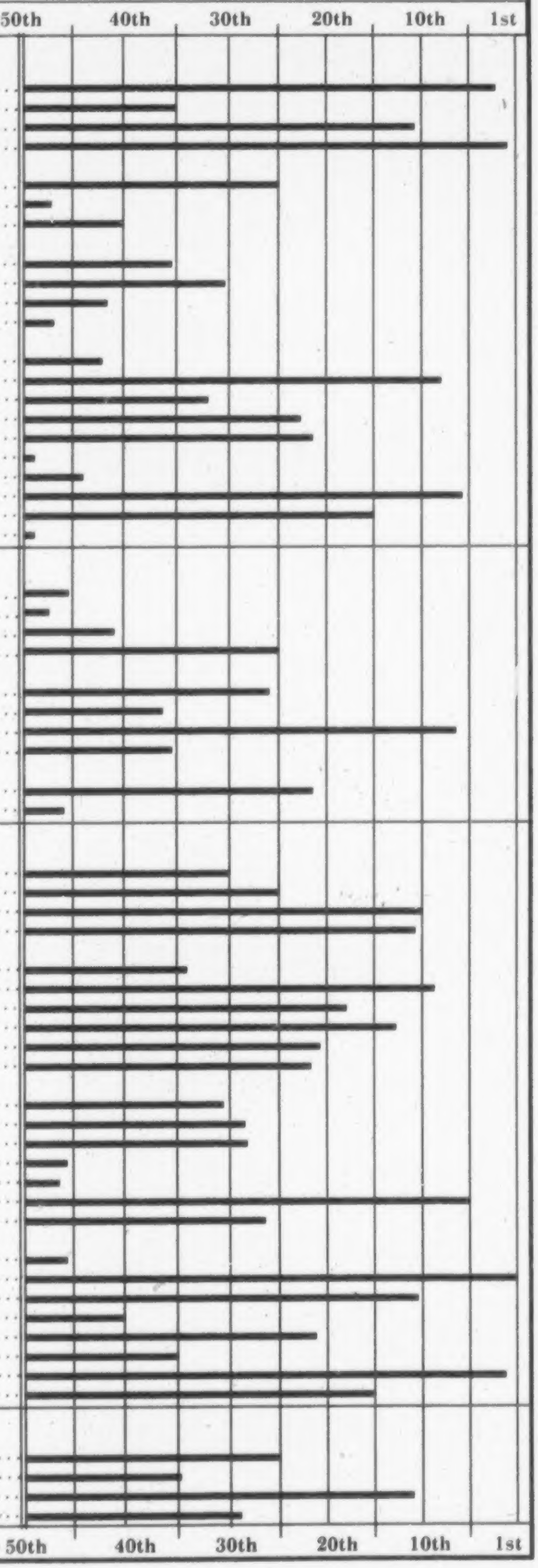
ARIZONA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
[illegible]	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE ARIZONA RANKS – MEASURE BY MEASURE

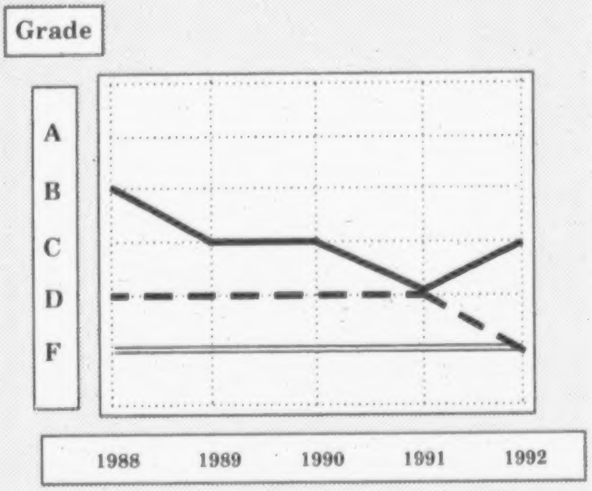


ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth (3)	
	Short-Term Employment Growth (35)	
	Unemployment Rate (11)	
	Unemployment Duration (2)	
Earnings and Job Quality	Average Annual Pay (25)	
	Average Annual Pay Growth (48)	
	Health Coverage (40)	
Equity	Poverty Rate (36)	
	Income Distribution (31)	
	Income Distribution Change (42)	
	Rural/Urban Disparity (48)	
Environmental, Social & Health Conditions	Air Quality (42)	
	Superfund Dumpsites (8)	
	Hazardous Waste Generation (33)	
	Surface Water Discharge (23)	
	Infant Mortality (22)	
	Crime Rate (49)	
	Teen Pregnancy (44)	
	Heart Disease (6)	
	Cancer Cases (15)	
	Infectious Diseases (49)	
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength (46)	
	Change in Traded Sector Strength (48)	
	Business Closings (41)	
	Manufacturing Capital Investment (25)	
Entrepreneurial Energy	New Companies (26)	
	Change in New Companies (37)	
	New Small Business Job Growth (7)	
	Minority & Women Bus. Ownership (31)	
Structural Diversity	Sectoral Diversity (22)	
	Dynamic Diversity (46)	
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation (30)	
	Adult Illiteracy (25)	
	High School Education Attainment (10)	
	College Education Attainment (11)	
Technology Resources	PhD Scientists/Engineers in Workforce (34)	
	Science/Engineering Grad. Students (9)	
	Patents Issued (18)	
	University R & D (13)	
	Federal R & D (21)	
	SBIR Grants (22)	
Financial Resources	Commercial Bank Deposits (31)	
	Loans to Deposits (28)	
	Loans to Equity (28)	
	Commercial & Industrial Loans (46)	
	Comm. & Ind. Loans to Total Loans (47)	
	Venture Capital Investments (5)	
	SBIC Financing (27)	
Infrastructure & Amenity Resources	Highway Deficiency (46)	
	Bridge Deficiency (1)	
	Urban Mass Transit Availability (11)	
	Energy Cost (40)	
	Sewage Needs (22)	
	Urban Housing Costs (35)	
	Health Professional Shortage Areas (2)	
	Tourism Spending (15)	
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score (25)	
	Fiscal Stability/Balanced Revenue (35)	
	Tax Fairness (11)	
	Fiscal Equalization (29)	

ARKANSAS 1992 REPORT CARD

Economic Performance	**F**
Employment	F
Earnings & Job Quality	D
Equity	C
Business Vitality	**C**
Business Competitiveness	D
Entreprenurial Energy	C
Structural Diversity	C
Development Capacity	**F**
Human Resources	D
Technology Resources	F
Financial Resources	F
Infra. & Amenity Resources	D

ARKANSAS REPORT CARD TRENDS



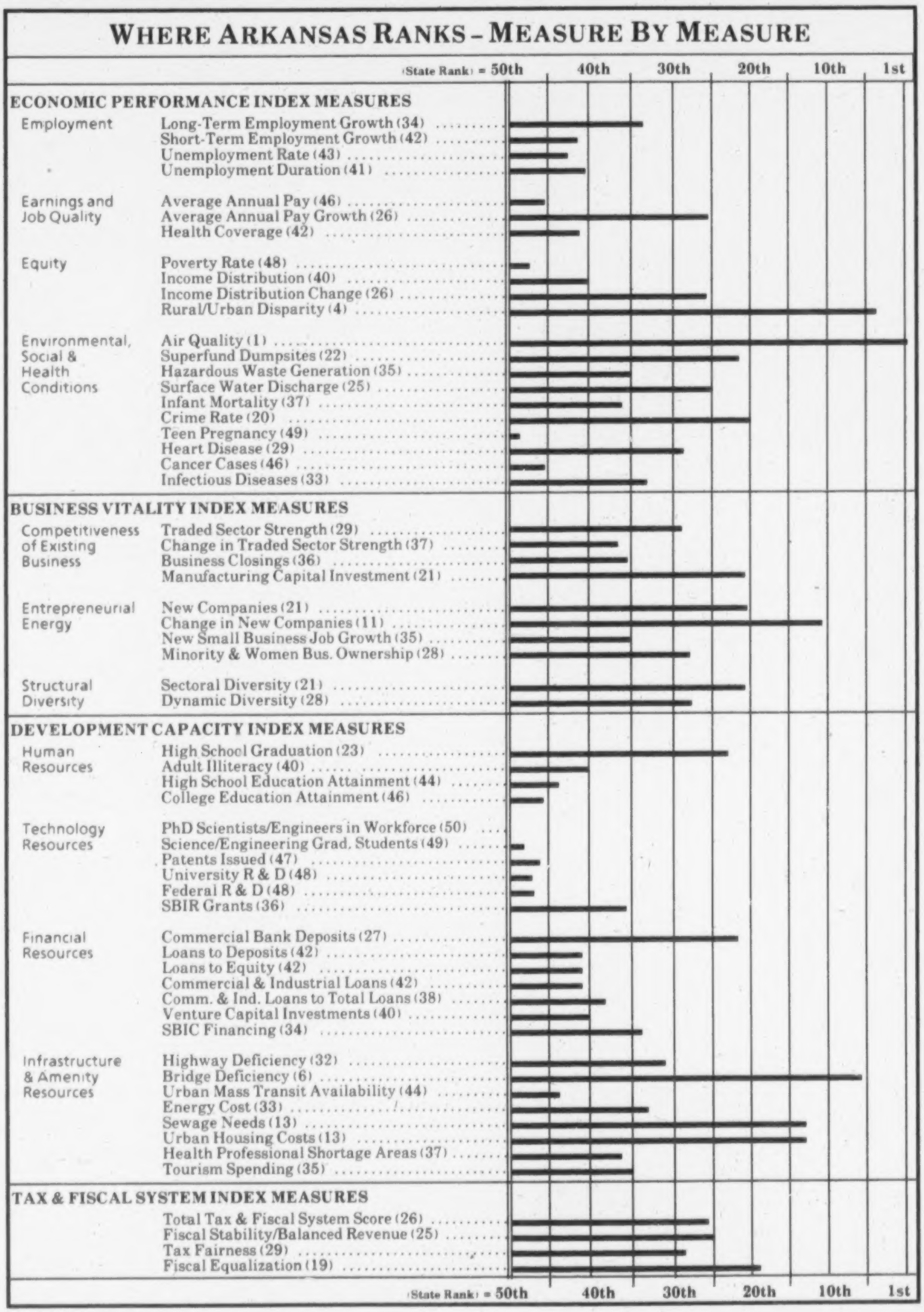
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE ARKANSAS RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES		
	Employment	Long-Term Employment Growth (34)
		Short-Term Employment Growth (42)
		Unemployment Rate (43)
		Unemployment Duration (41)
	Earnings and Job Quality	Average Annual Pay (46)
		Average Annual Pay Growth (26)
		Health Coverage (42)
	Equity	Poverty Rate (48)
		Income Distribution (40)
		Income Distribution Change (26)
		Rural/Urban Disparity (4)
	Environmental, Social & Health Conditions	Air Quality (1)
		Superfund Dumpsites (22)
		Hazardous Waste Generation (35)
		Surface Water Discharge (25)
		Infant Mortality (37)
		Crime Rate (20)
		Teen Pregnancy (49)
		Heart Disease (29)
		Cancer Cases (46)
		Infectious Diseases (33)
BUSINESS VITALITY INDEX MEASURES		
	Competitiveness of Existing Business	Traded Sector Strength (29)
		Change in Traded Sector Strength (37)
		Business Closings (36)
		Manufacturing Capital Investment (21)
	Entrepreneurial Energy	New Companies (21)
		Change in New Companies (11)
		New Small Business Job Growth (35)
		Minority & Women Bus. Ownership (28)
	Structural Diversity	Sectoral Diversity (21)
		Dynamic Diversity (28)
DEVELOPMENT CAPACITY INDEX MEASURES		
	Human Resources	High School Graduation (23)
		Adult Illiteracy (40)
		High School Education Attainment (44)
		College Education Attainment (46)
	Technology Resources	PhD Scientists/Engineers in Workforce (50)
		Science/Engineering Grad. Students (49)
		Patents Issued (47)
		University R & D (48)
		Federal R & D (48)
		SBIR Grants (36)
	Financial Resources	Commercial Bank Deposits (27)
		Loans to Deposits (42)
		Loans to Equity (42)
		Commercial & Industrial Loans (42)
		Comm. & Ind. Loans to Total Loans (38)
		Venture Capital Investments (40)
		SBIC Financing (34)
	Infrastructure & Amenity Resources	Highway Deficiency (32)
		Bridge Deficiency (6)
		Urban Mass Transit Availability (44)
		Energy Cost (33)
		Sewage Needs (13)
		Urban Housing Costs (13)
		Health Professional Shortage Areas (37)
		Tourism Spending (35)
TAX & FISCAL SYSTEM INDEX MEASURES		
		Total Tax & Fiscal System Score (26)
		Fiscal Stability/Balanced Revenue (25)
		Tax Fairness (29)
		Fiscal Equalization (19)

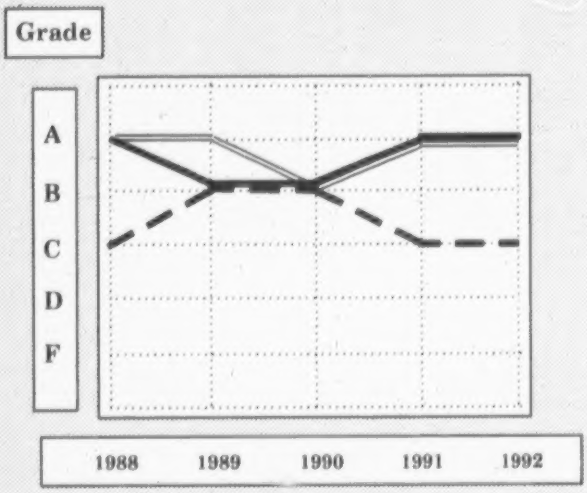
CALIFORNIA 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	B
Equity	D

Business Vitality	**A**
Business Competitiveness	B
Entreprenurial Energy	A
Structural Diversity	C

Development Capacity	**A**
Human Resources	C
Technology Resources	A
Financial Resources	A
Infra. & Amenity Resources	B

CALIFORNIA REPORT CARD TRENDS



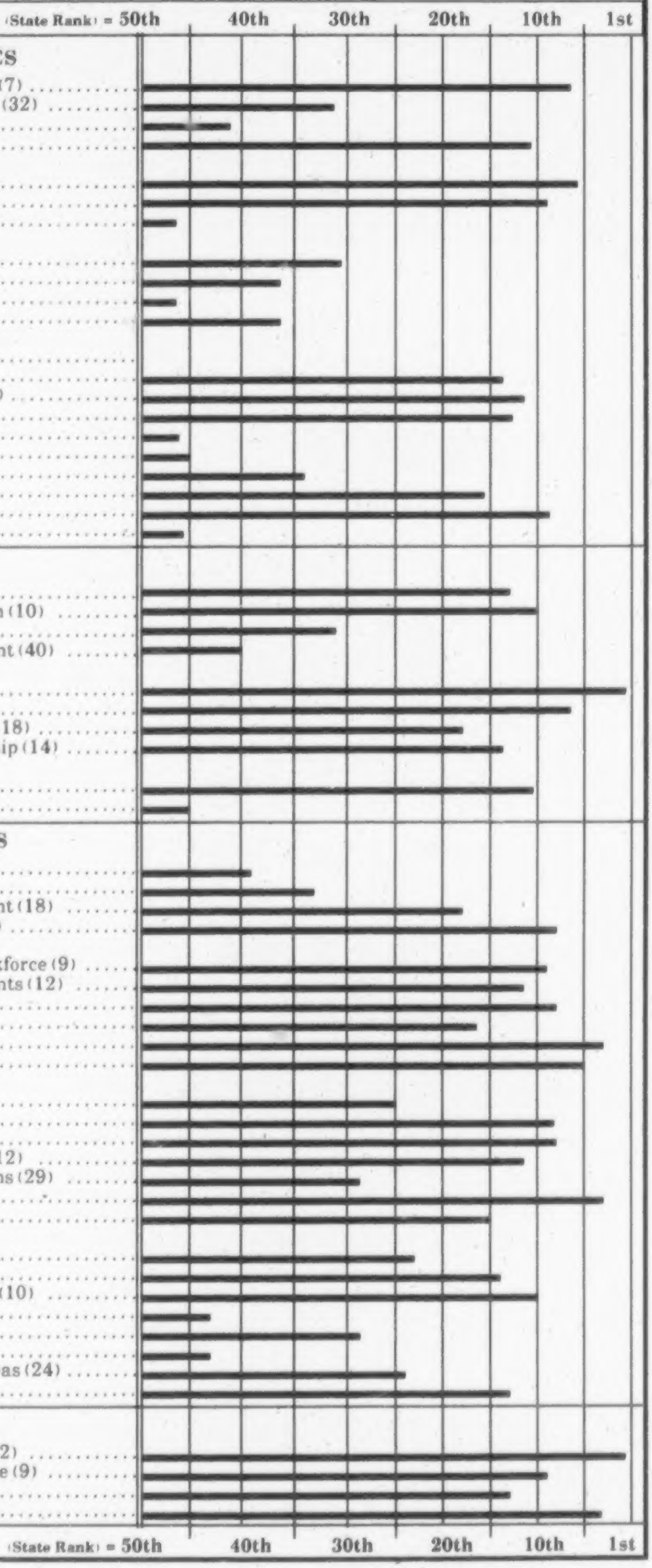
Key

Economic Performance	- - -
Business Vitality	━━
Development Capacity	═══

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE CALIFORNIA RANKS – MEASURE BY MEASURE

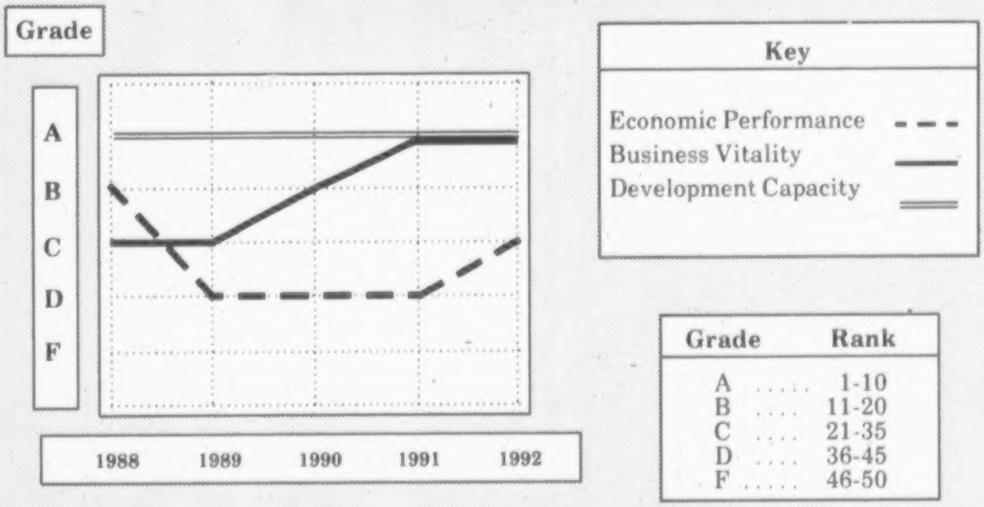


ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (7)
	Short-Term Employment Growth (32)
	Unemployment Rate (42)
	Unemployment Duration (11)
Earnings and Job Quality	Average Annual Pay (6)
	Average Annual Pay Growth (9)
	Health Coverage (47)
Equity	Poverty Rate (31)
	Income Distribution (37)
	Income Distribution Change (47)
	Rural/Urban Disparity (37)
Environmental, Social & Health Conditions	Air Quality (50)
	Superfund Dumpsites (14)
	Hazardous Waste Generation (12)
	Surface Water Discharge (13)
	Infant Mortality (47)
	Crime Rate (45)
	Teen Pregnancy (34)
	Heart Disease (16)
	Cancer Cases (9)
	Infectious Diseases (46)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (13)
	Change in Traded Sector Strength (10)
	Business Closings (32)
	Manufacturing Capital Investment (40)
Entrepreneurial Energy	New Companies (2)
	Change in New Companies (7)
	New Small Business Job Growth (18)
	Minority & Women Bus. Ownership (14)
Structural Diversity	Sectoral Diversity (11)
	Dynamic Diversity (45)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (39)
	Adult Illiteracy (33)
	High School Education Attainment (18)
	College Education Attainment (8)
Technology Resources	PhD Scientists/Engineers in Workforce (9)
	Science/Engineering Grad. Students (12)
	Patents Issued (8)
	University R & D (17)
	Federal R & D (3)
	SBIR Grants (5)
Financial Resources	Commercial Bank Deposits (25)
	Loans to Deposits (8)
	Loans to Equity (8)
	Commercial & Industrial Loans (12)
	Comm. & Ind. Loans to Total Loans (29)
	Venture Capital Investments (3)
	SBIC Financing (15)
Infrastructure & Amenity Resources	Highway Deficiency (23)
	Bridge Deficiency (14)
	Urban Mass Transit Availability (10)
	Energy Cost (43)
	Sewage Needs (29)
	Urban Housing Costs (43)
	Health Professional Shortage Areas (24)
	Tourism Spending (13)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (2)
	Fiscal Stability/Balanced Revenue (9)
	Tax Fairness (13)
	Fiscal Equalization (4)

COLORADO 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	C
Equity	D
Business Vitality	**A**
Business Competitiveness	B
Entreprenurial Energy	C
Structural Diversity	A
Development Capacity	**A**
Human Resources	A
Technology Resources	A
Financial Resources	D
Infra. & Amenity Resources	A

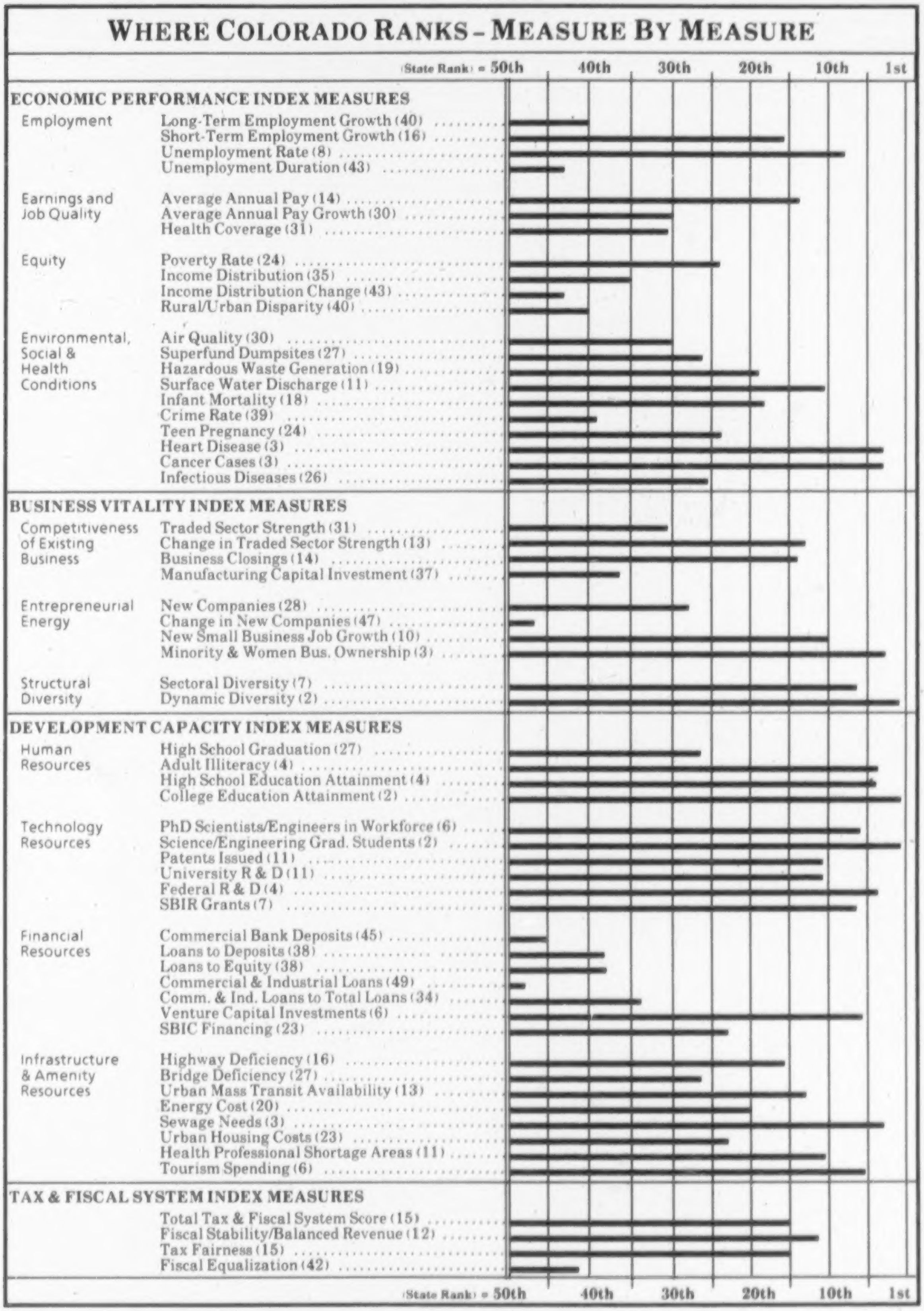
COLORADO REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE COLORADO RANKS – MEASURE BY MEASURE

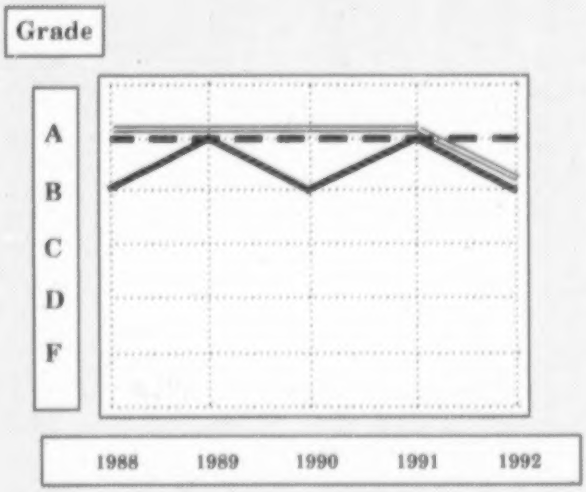


ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (40)
	Short-Term Employment Growth (16)
	Unemployment Rate (8)
	Unemployment Duration (43)
Earnings and Job Quality	Average Annual Pay (14)
	Average Annual Pay Growth (30)
	Health Coverage (31)
Equity	Poverty Rate (24)
	Income Distribution (35)
	Income Distribution Change (43)
	Rural/Urban Disparity (40)
Environmental, Social & Health Conditions	Air Quality (30)
	Superfund Dumpsites (27)
	Hazardous Waste Generation (19)
	Surface Water Discharge (11)
	Infant Mortality (18)
	Crime Rate (39)
	Teen Pregnancy (24)
	Heart Disease (3)
	Cancer Cases (3)
	Infectious Diseases (26)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (31)
	Change in Traded Sector Strength (13)
	Business Closings (14)
	Manufacturing Capital Investment (37)
Entrepreneurial Energy	New Companies (28)
	Change in New Companies (47)
	New Small Business Job Growth (10)
	Minority & Women Bus. Ownership (3)
Structural Diversity	Sectoral Diversity (7)
	Dynamic Diversity (2)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (27)
	Adult Illiteracy (4)
	High School Education Attainment (4)
	College Education Attainment (2)
Technology Resources	PhD Scientists/Engineers in Workforce (6)
	Science/Engineering Grad. Students (2)
	Patents Issued (11)
	University R & D (11)
	Federal R & D (4)
	SBIR Grants (7)
Financial Resources	Commercial Bank Deposits (45)
	Loans to Deposits (38)
	Loans to Equity (38)
	Commercial & Industrial Loans (49)
	Comm. & Ind. Loans to Total Loans (34)
	Venture Capital Investments (6)
	SBIC Financing (23)
Infrastructure & Amenity Resources	Highway Deficiency (16)
	Bridge Deficiency (27)
	Urban Mass Transit Availability (13)
	Energy Cost (20)
	Sewage Needs (3)
	Urban Housing Costs (23)
	Health Professional Shortage Areas (11)
	Tourism Spending (6)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (15)
	Fiscal Stability/Balanced Revenue (12)
	Tax Fairness (15)
	Fiscal Equalization (42)

CONNECTICUT 1992 REPORT CARD

Economic Performance	**A**
Employment	D
Earnings & Job Quality	A
Equity	A
Business Vitality	**B**
Business Competitiveness	A
Entreprenurial Energy	C
Structural Diversity	C
Development Capacity	**B**
Human Resources	B
Technology Resources	A
Financial Resources	B
Infra. & Amenity Resources	C

CONNECTICUT REPORT CARD TRENDS



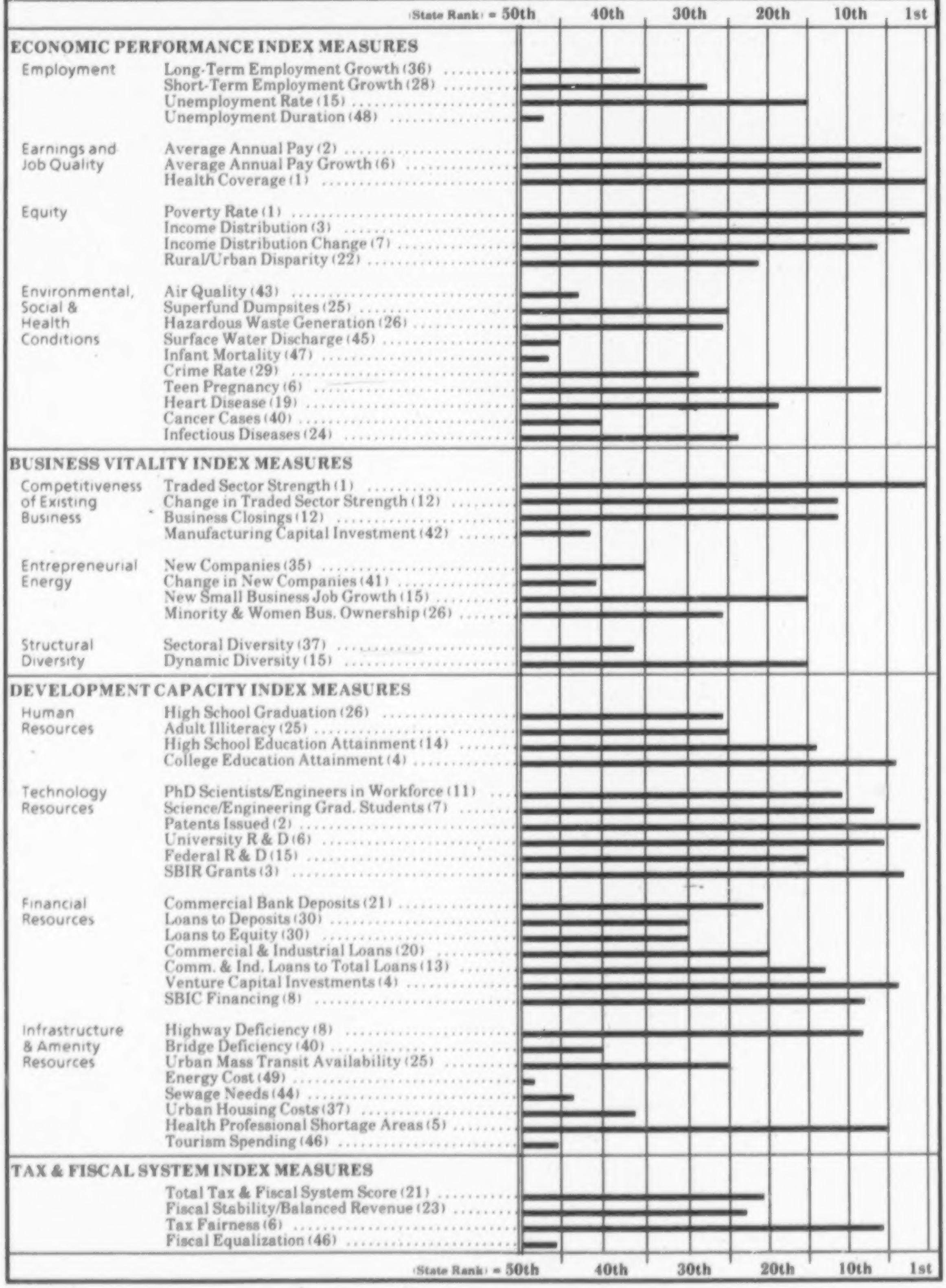
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE CONNECTICUT RANKS – MEASURE BY MEASURE

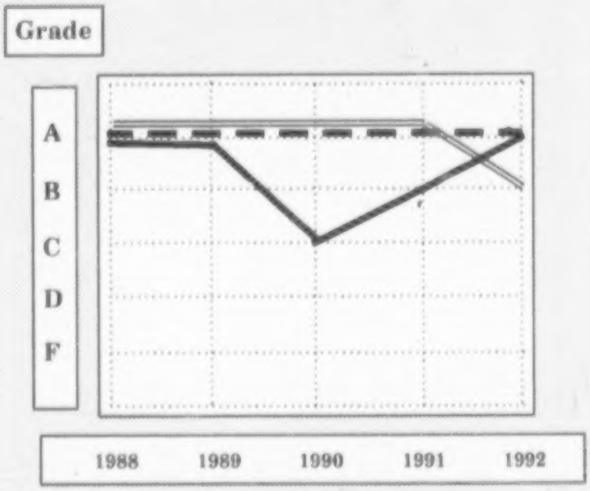


ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth	(36)
	Short-Term Employment Growth	(28)
	Unemployment Rate	(15)
	Unemployment Duration	(48)
Earnings and Job Quality	Average Annual Pay	(2)
	Average Annual Pay Growth	(6)
	Health Coverage	(1)
Equity	Poverty Rate	(1)
	Income Distribution	(3)
	Income Distribution Change	(7)
	Rural/Urban Disparity	(22)
Environmental, Social & Health Conditions	Air Quality	(43)
	Superfund Dumpsites	(25)
	Hazardous Waste Generation	(26)
	Surface Water Discharge	(45)
	Infant Mortality	(47)
	Crime Rate	(29)
	Teen Pregnancy	(6)
	Heart Disease	(19)
	Cancer Cases	(40)
	Infectious Diseases	(24)
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength	(1)
	Change in Traded Sector Strength	(12)
	Business Closings	(12)
	Manufacturing Capital Investment	(42)
Entrepreneurial Energy	New Companies	(35)
	Change in New Companies	(41)
	New Small Business Job Growth	(15)
	Minority & Women Bus. Ownership	(26)
Structural Diversity	Sectoral Diversity	(37)
	Dynamic Diversity	(15)
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation	(26)
	Adult Illiteracy	(25)
	High School Education Attainment	(14)
	College Education Attainment	(4)
Technology Resources	PhD Scientists/Engineers in Workforce	(11)
	Science/Engineering Grad. Students	(7)
	Patents Issued	(2)
	University R & D	(6)
	Federal R & D	(15)
	SBIR Grants	(3)
Financial Resources	Commercial Bank Deposits	(21)
	Loans to Deposits	(30)
	Loans to Equity	(30)
	Commercial & Industrial Loans	(20)
	Comm. & Ind. Loans to Total Loans	(13)
	Venture Capital Investments	(4)
	SBIC Financing	(8)
Infrastructure & Amenity Resources	Highway Deficiency	(8)
	Bridge Deficiency	(40)
	Urban Mass Transit Availability	(25)
	Energy Cost	(49)
	Sewage Needs	(44)
	Urban Housing Costs	(37)
	Health Professional Shortage Areas	(5)
	Tourism Spending	(46)
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score	(21)
	Fiscal Stability/Balanced Revenue	(23)
	Tax Fairness	(6)
	Fiscal Equalization	(46)

DELAWARE 1992 REPORT CARD

Economic Performance	**A**
Employment	B
Earnings & Job Quality	B
Equity	A
Business Vitality	**A**
Business Competitiveness	A
Entreprenurial Energy	C
Structural Diversity	D
Development Capacity	**B**
Human Resources	C
Technology Resources	A
Financial Resources	A
Infra. & Amenity Resources	C

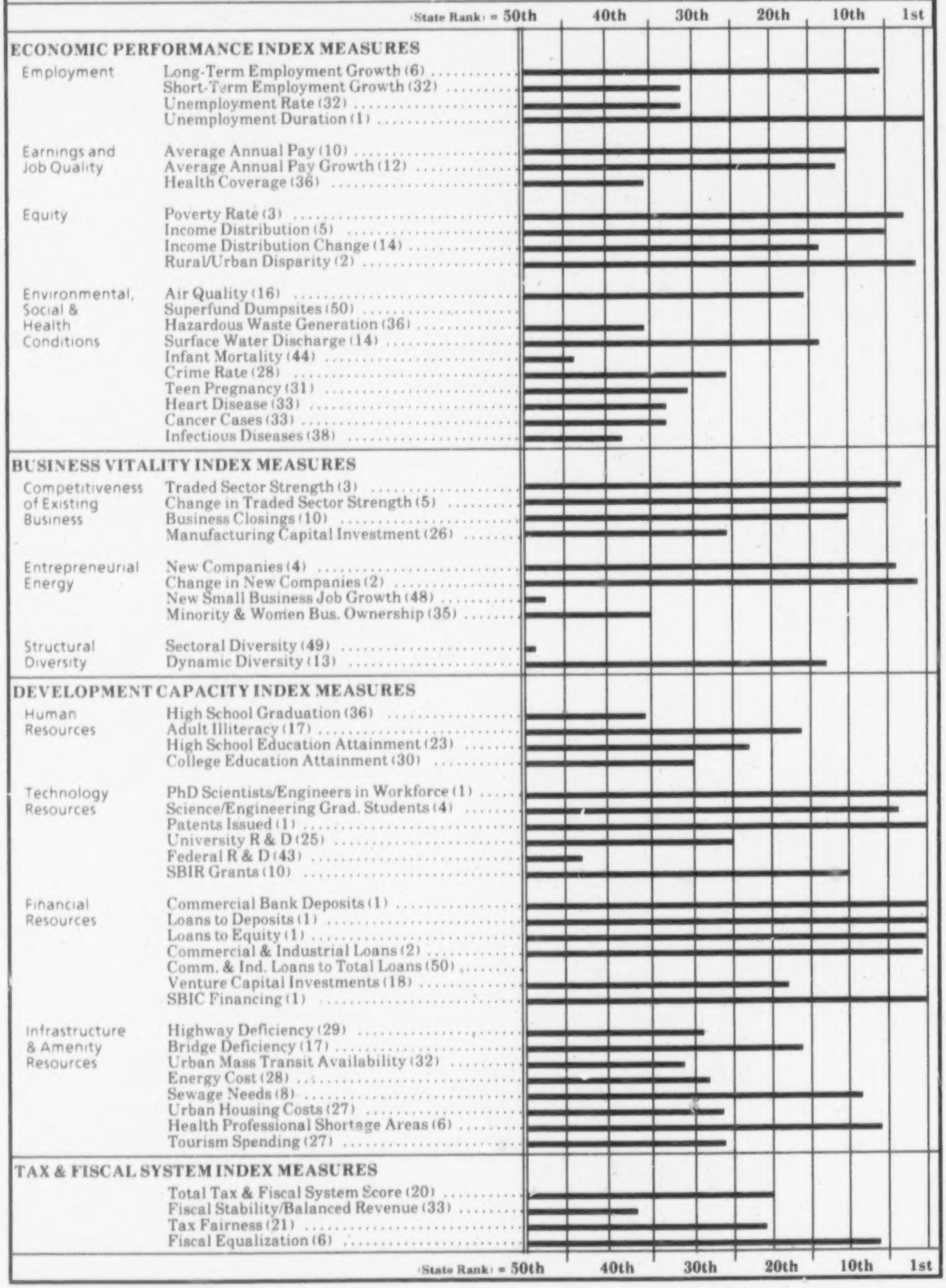
DELAWARE REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE DELAWARE RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES

Employment	Long-Term Employment Growth (6)
	Short-Term Employment Growth (32)
	Unemployment Rate (32)
	Unemployment Duration (1)
Earnings and Job Quality	Average Annual Pay (10)
	Average Annual Pay Growth (12)
	Health Coverage (36)
Equity	Poverty Rate (3)
	Income Distribution (5)
	Income Distribution Change (14)
	Rural/Urban Disparity (2)
Environmental, Social & Health Conditions	Air Quality (16)
	Superfund Dumpsites (50)
	Hazardous Waste Generation (36)
	Surface Water Discharge (14)
	Infant Mortality (44)
	Crime Rate (28)
	Teen Pregnancy (31)
	Heart Disease (33)
	Cancer Cases (33)
	Infectious Diseases (38)

BUSINESS VITALITY INDEX MEASURES

Competitiveness of Existing Business	Traded Sector Strength (3)
	Change in Traded Sector Strength (5)
	Business Closings (10)
	Manufacturing Capital Investment (26)
Entrepreneurial Energy	New Companies (4)
	Change in New Companies (2)
	New Small Business Job Growth (48)
	Minority & Women Bus. Ownership (35)
Structural Diversity	Sectoral Diversity (49)
	Dynamic Diversity (13)

DEVELOPMENT CAPACITY INDEX MEASURES

Human Resources	High School Graduation (36)
	Adult Illiteracy (17)
	High School Education Attainment (23)
	College Education Attainment (30)
Technology Resources	PhD Scientists/Engineers in Workforce (1)
	Science/Engineering Grad. Students (4)
	Patents Issued (1)
	University R & D (25)
	Federal R & D (43)
	SBIR Grants (10)
Financial Resources	Commercial Bank Deposits (1)
	Loans to Deposits (1)
	Loans to Equity (1)
	Commercial & Industrial Loans (2)
	Comm. & Ind. Loans to Total Loans (50)
	Venture Capital Investments (18)
	SBIC Financing (1)
Infrastructure & Amenity Resources	Highway Deficiency (29)
	Bridge Deficiency (17)
	Urban Mass Transit Availability (32)
	Energy Cost (28)
	Sewage Needs (8)
	Urban Housing Costs (27)
	Health Professional Shortage Areas (6)
	Tourism Spending (27)

TAX & FISCAL SYSTEM INDEX MEASURES

	Total Tax & Fiscal System Score (20)
	Fiscal Stability/Balanced Revenue (33)
	Tax Fairness (21)
	Fiscal Equalization (6)

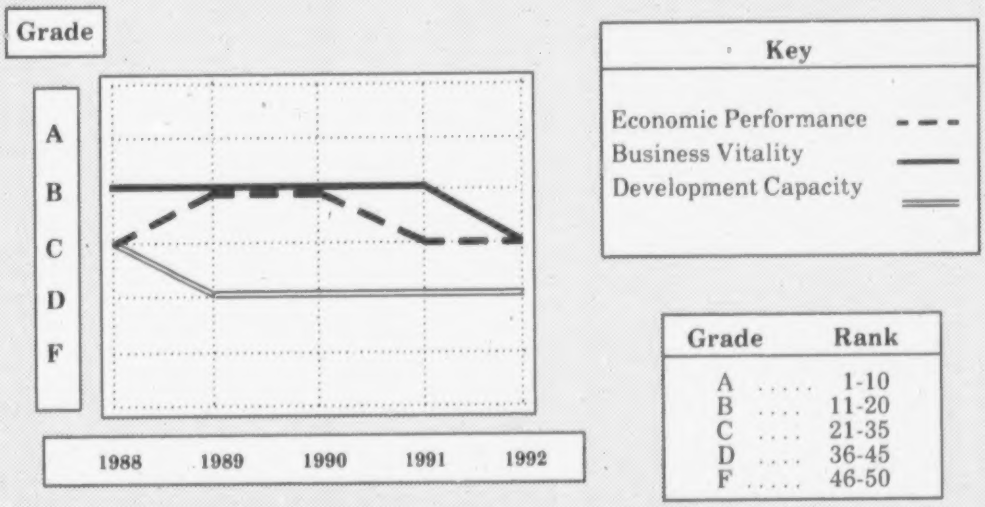
FLORIDA 1992 REPORT CARD

Economic Performance	**C**
Employment	B
Earnings & Job Quality	C
Equity	D

Business Vitality	**C**
Business Competitiveness	F
Entreprenurial Energy	A
Structural Diversity	C

Development Capacity	**D**
Human Resources	D
Technology Resources	D
Financial Resources	C
Infra. & Amenity Resources	C

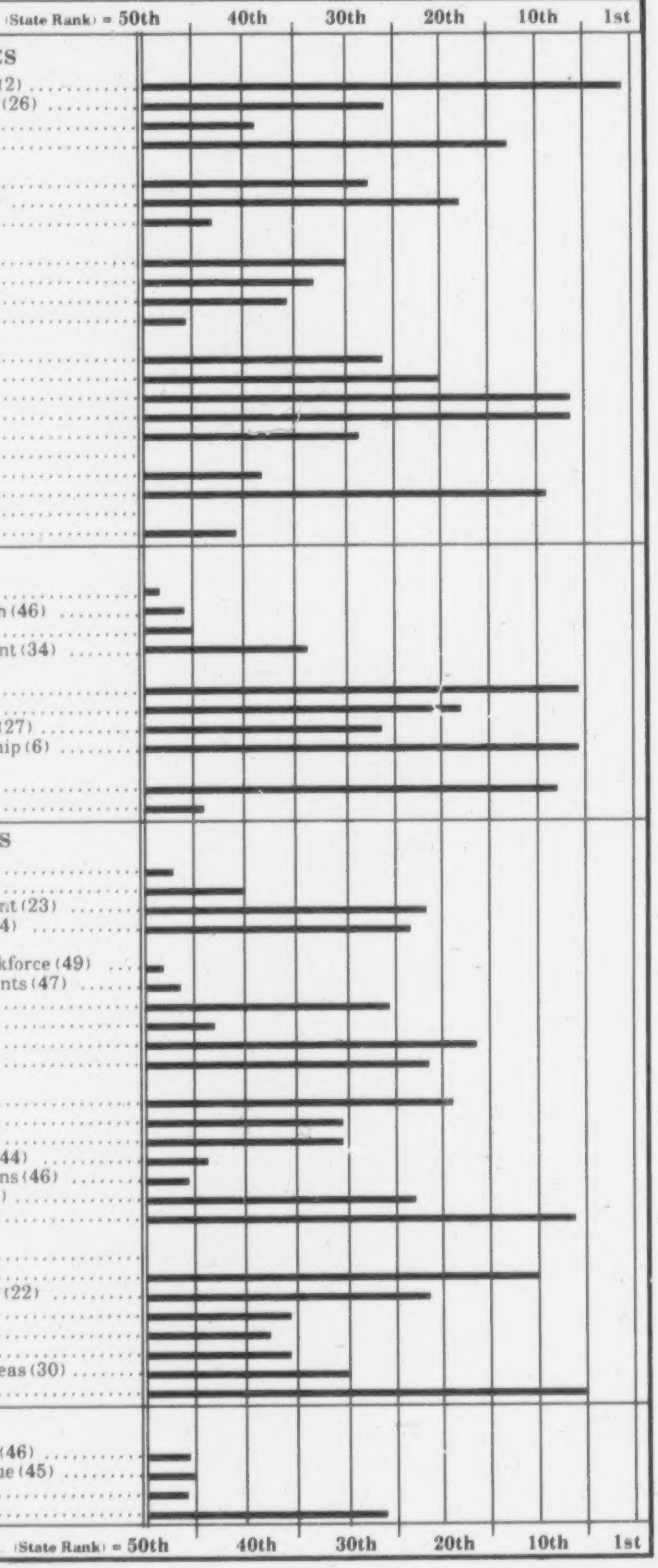
FLORIDA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE FLORIDA RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES

Employment	Long-Term Employment Growth (2)
	Short-Term Employment Growth (26)
	Unemployment Rate (39)
	Unemployment Duration (13)
Earnings and Job Quality	Average Annual Pay (28)
	Average Annual Pay Growth (18)
	Health Coverage (43)
Equity	Poverty Rate (30)
	Income Distribution (33)
	Income Distribution Change (36)
	Rural/Urban Disparity (46)
Environmental, Social & Health Conditions	Air Quality (27)
	Superfund Dumpsites (20)
	Hazardous Waste Generation (7)
	Surface Water Discharge (7)
	Infant Mortality (29)
	Crime Rate (50)
	Teen Pregnancy (38)
	Heart Disease (9)
	Cancer Cases (50)
	Infectious Diseases (41)

BUSINESS VITALITY INDEX MEASURES

Competitiveness of Existing Business	Traded Sector Strength (49)
	Change in Traded Sector Strength (46)
	Business Closings (45)
	Manufacturing Capital Investment (34)
Entrepreneurial Energy	New Companies (6)
	Change in New Companies (18)
	New Small Business Job Growth (27)
	Minority & Women Bus. Ownership (6)
Structural Diversity	Sectoral Diversity (8)
	Dynamic Diversity (44)

DEVELOPMENT CAPACITY INDEX MEASURES

Human Resources	High School Graduation (48)
	Adult Illiteracy (40)
	High School Education Attainment (23)
	College Education Attainment (24)
Technology Resources	PhD Scientists/Engineers in Workforce (49)
	Science/Engineering Grad. Students (47)
	Patents Issued (26)
	University R & D (43)
	Federal R & D (17)
	SBIR Grants (23)
Financial Resources	Commercial Bank Deposits (19)
	Loans to Deposits (31)
	Loans to Equity (31)
	Commercial & Industrial Loans (44)
	Comm. & Ind. Loans to Total Loans (46)
	Venture Capital Investments (28)
	SBIC Financing (7)
Infrastructure & Amenity Resources	Highway Deficiency (50)
	Bridge Deficiency (10)
	Urban Mass Transit Availability (22)
	Energy Cost (36)
	Sewage Needs (38)
	Urban Housing Costs (36)
	Health Professional Shortage Areas (30)
	Tourism Spending (5)

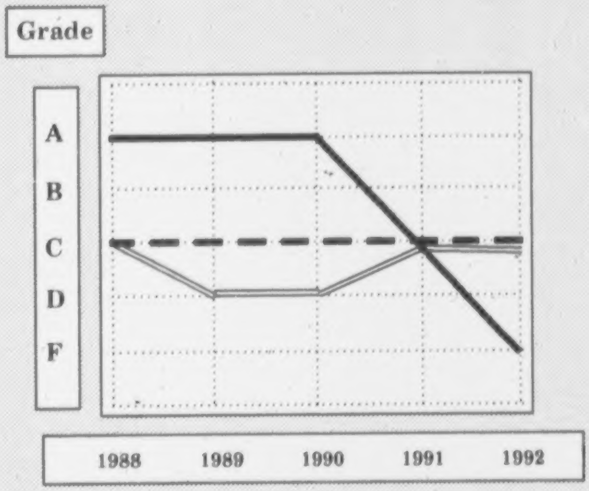
TAX & FISCAL SYSTEM INDEX MEASURES

	Total Tax & Fiscal System Score (46)
	Fiscal Stability/Balanced Revenue (45)
	Tax Fairness (46)
	Fiscal Equalization (27)

GEORGIA 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	C
Equity	D
Business Vitality	**F**
Business Competitiveness	D
Entreprenurial Energy	D
Structural Diversity	C
Development Capacity	**C**
Human Resources	D
Technology Resources	D
Financial Resources	C
Infra. & Amenity Resources	B

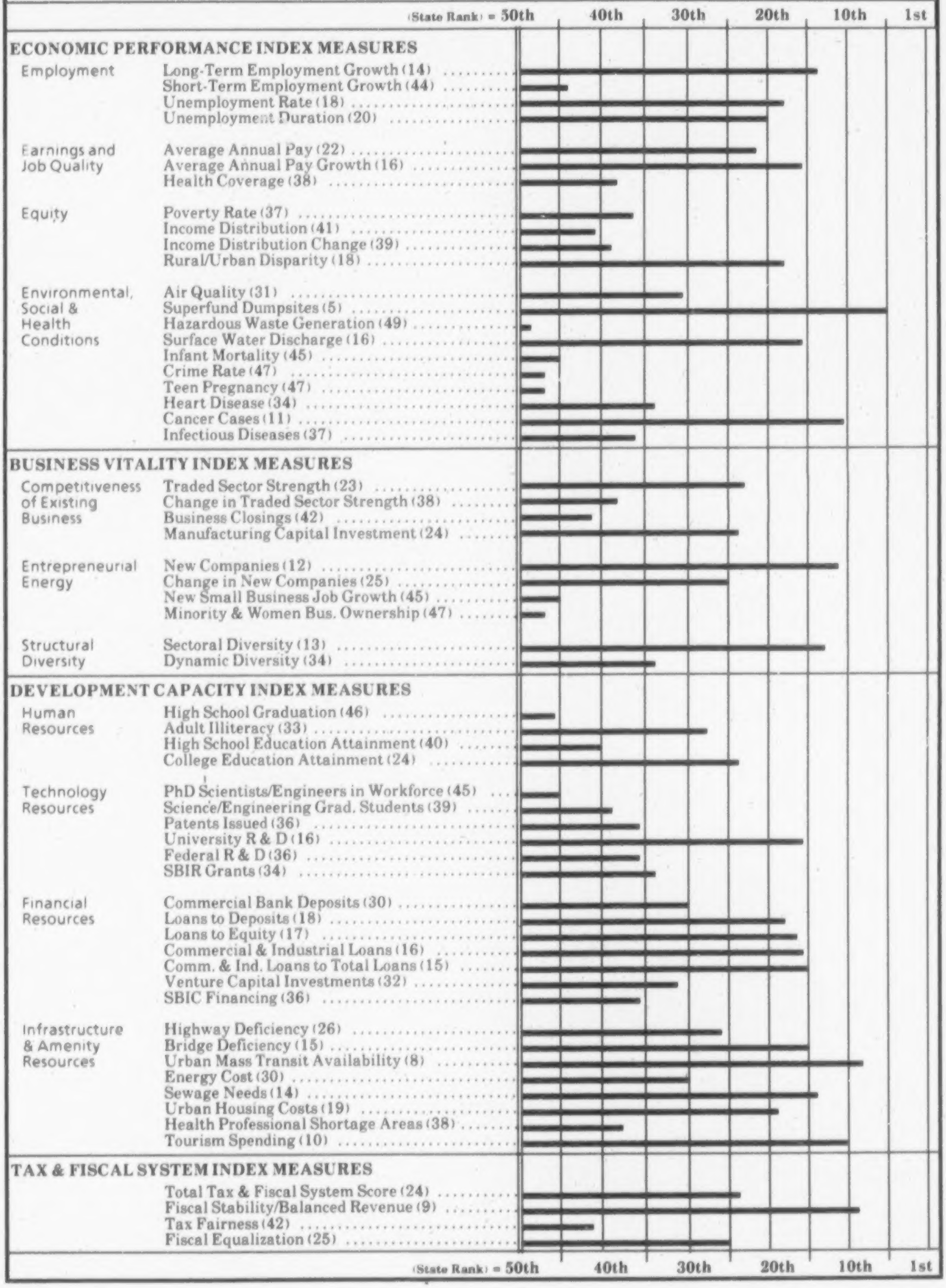
GEORGIA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE GEORGIA RANKS – MEASURE BY MEASURE



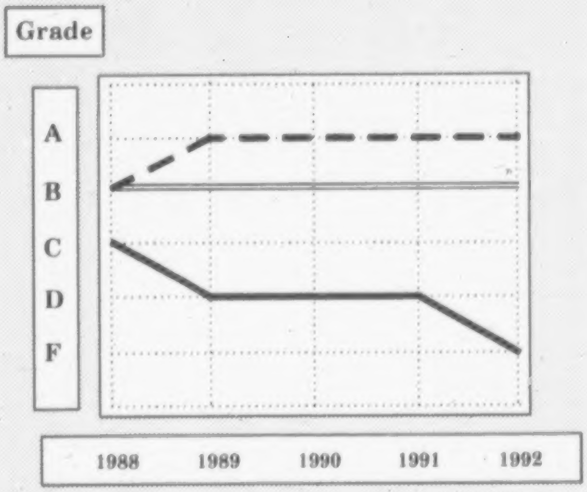
HAWAII 1992 REPORT CARD

Economic Performance	**A**
Employment	A
Earnings & Job Quality	A
Equity	C

Business Vitality	**F**
Business Competitiveness	C
Entreprenurial Energy	C
Structural Diversity	F

Development Capacity	**B**
Human Resources	B
Technology Resources	C
Financial Resources	B
Infra. & Amenity Resources	B

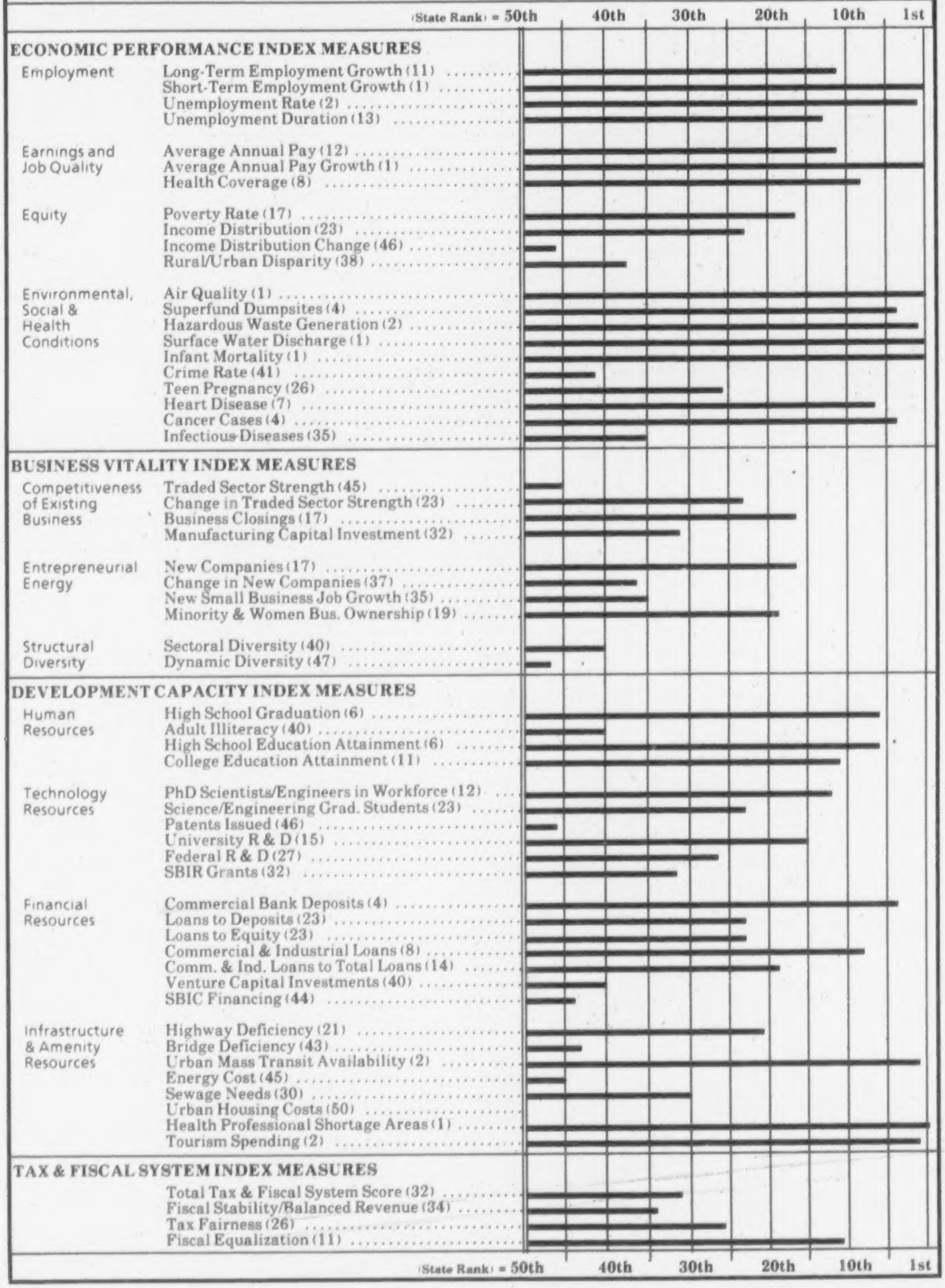
HAWAII REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE HAWAII RANKS – MEASURE BY MEASURE



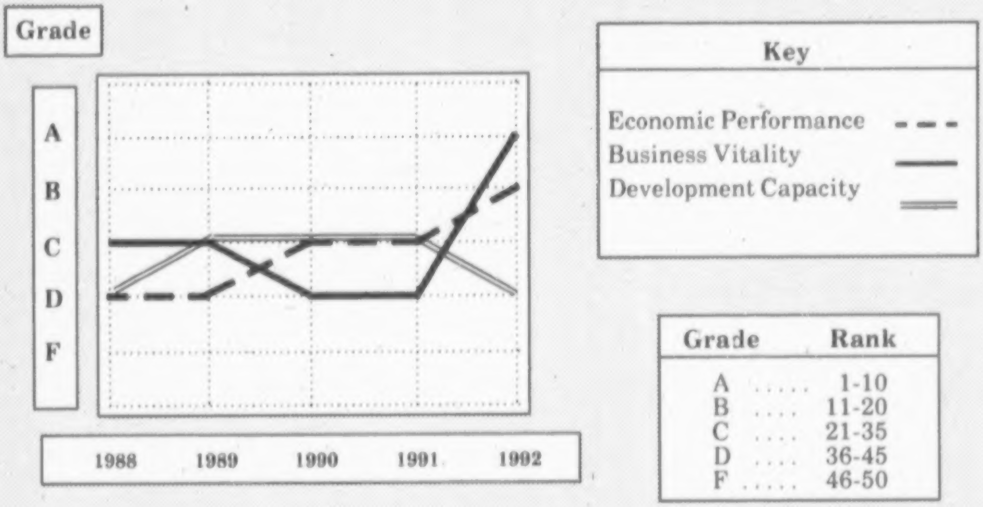
IDAHO 1992 REPORT CARD

Economic Performance	**B**
Employment	A
Earnings & Job Quality	D
Equity	B

Business Vitality	**A**
Business Competitiveness	A
Entreprenurial Energy	A
Structural Diversity	D

Development Capacity	**D**
Human Resources	C
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	D

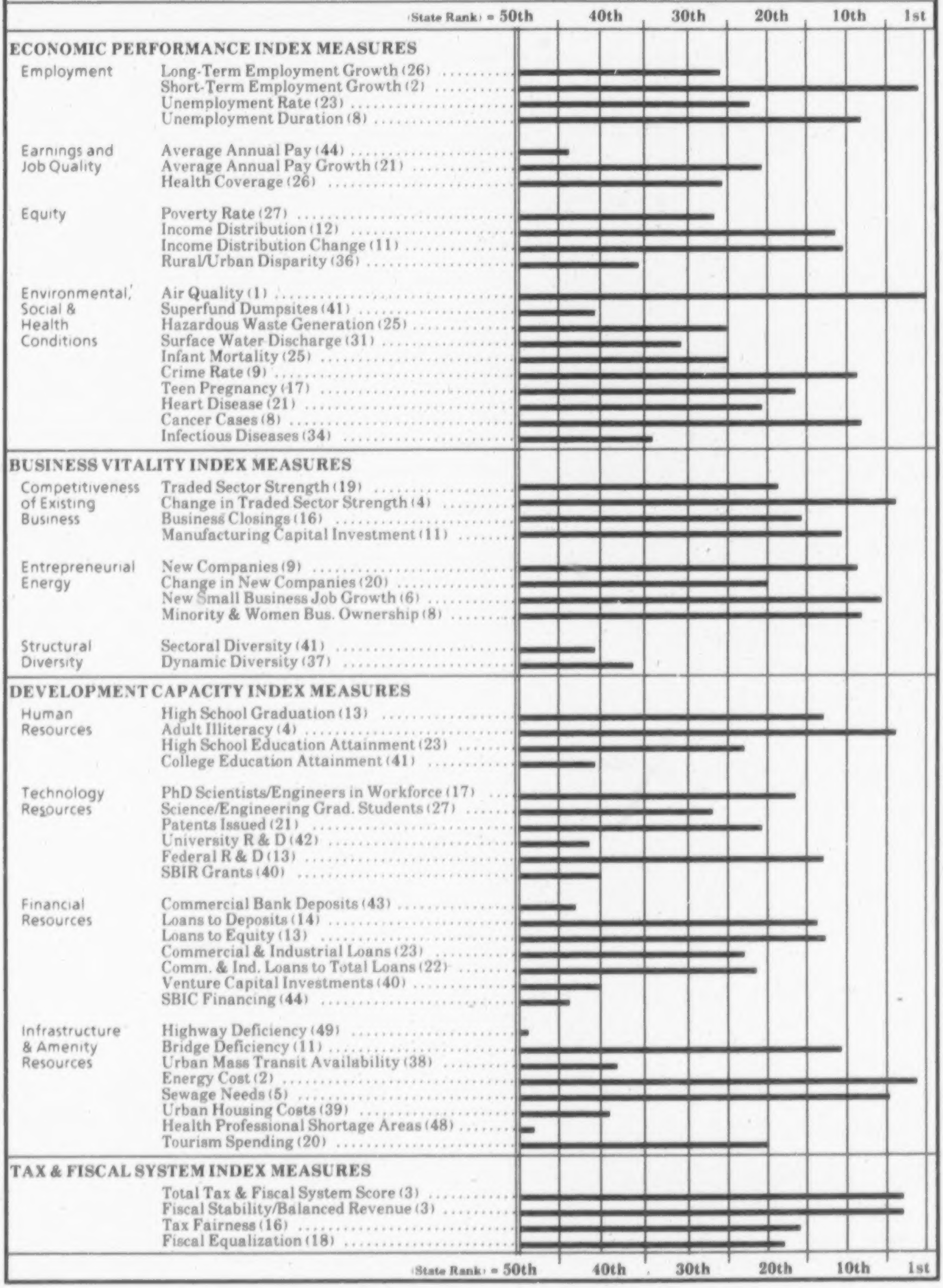
IDAHO REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE IDAHO RANKS – MEASURE BY MEASURE



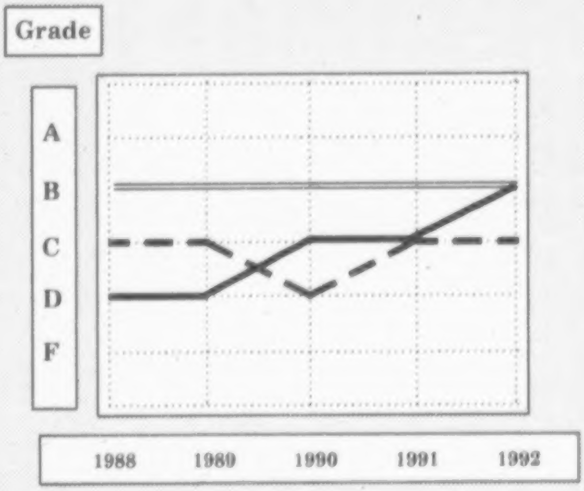
ILLINOIS 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	B
Equity	C

Business Vitality	**B**
Business Competitiveness	A
Entreprenurial Energy	F
Structural Diversity	B

Development Capacity	**B**
Human Resources	C
Technology Resources	B
Financial Resources	A
Infra. & Amenity Resources	A

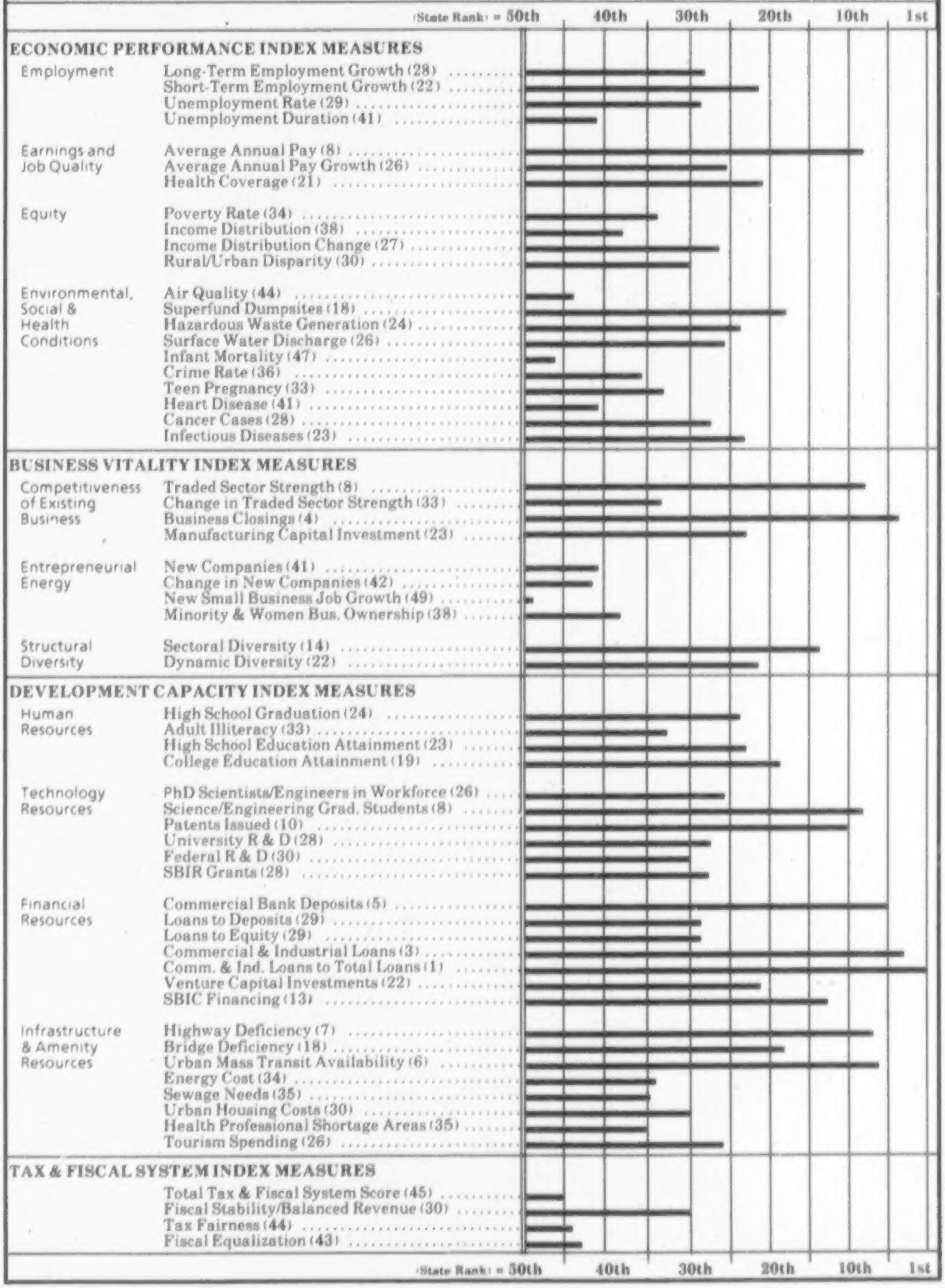
ILLINOIS REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE ILLINOIS RANKS – MEASURE BY MEASURE

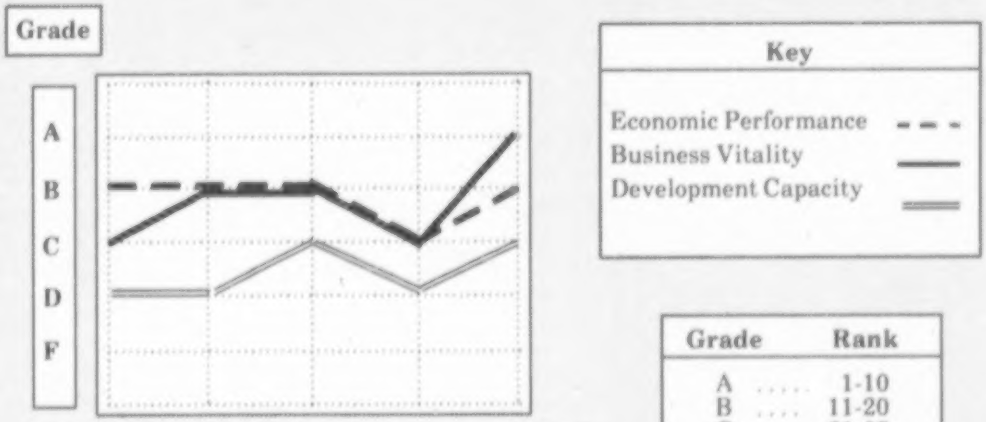


The Corporation for Enterprise Development

INDIANA 1992 REPORT CARD

Economic Performance	**B**
Employment	A
Earnings & Job Quality	D
Equity	B
Business Vitality	**A**
Business Competitiveness	A
Entreprenurial Energy	C
Structural Diversity	B
Development Capacity	**C**
Human Resources	C
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	C

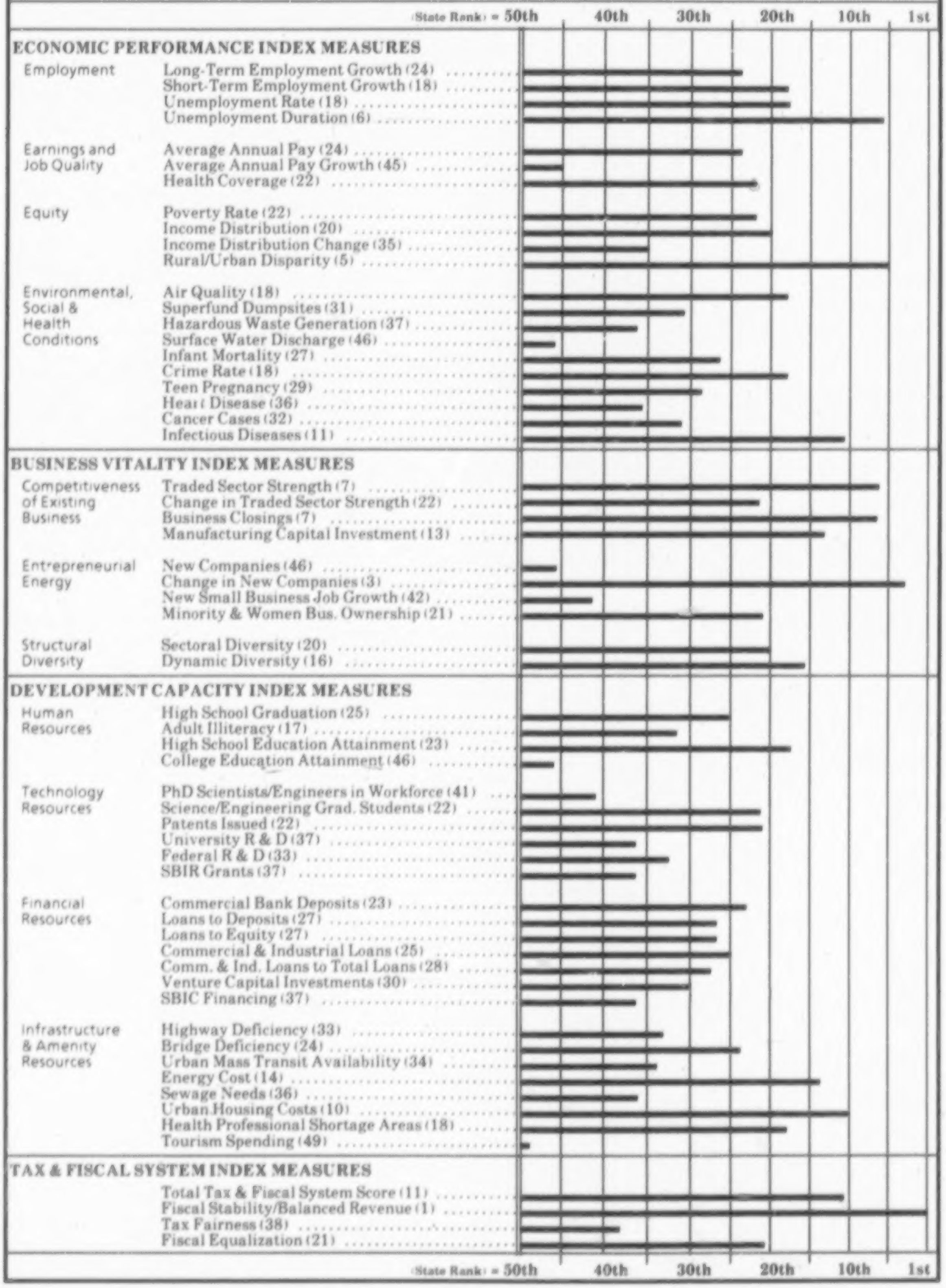
INDIANA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

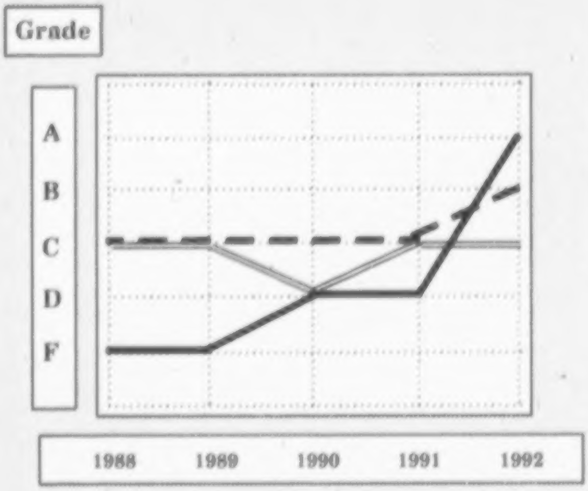
WHERE INDIANA RANKS – MEASURE BY MEASURE



IOWA 1992 REPORT CARD

Economic Performance	**B**
Employment	C
Earnings & Job Quality	C
Equity	A
Business Vitality	**A**
Business Competitiveness	A
Entreprenurial Energy	B
Structural Diversity	B
Development Capacity	**C**
Human Resources	B
Technology Resources	C
Financial Resources	D
Infra. & Amenity Resources	C

IOWA REPORT CARD TRENDS



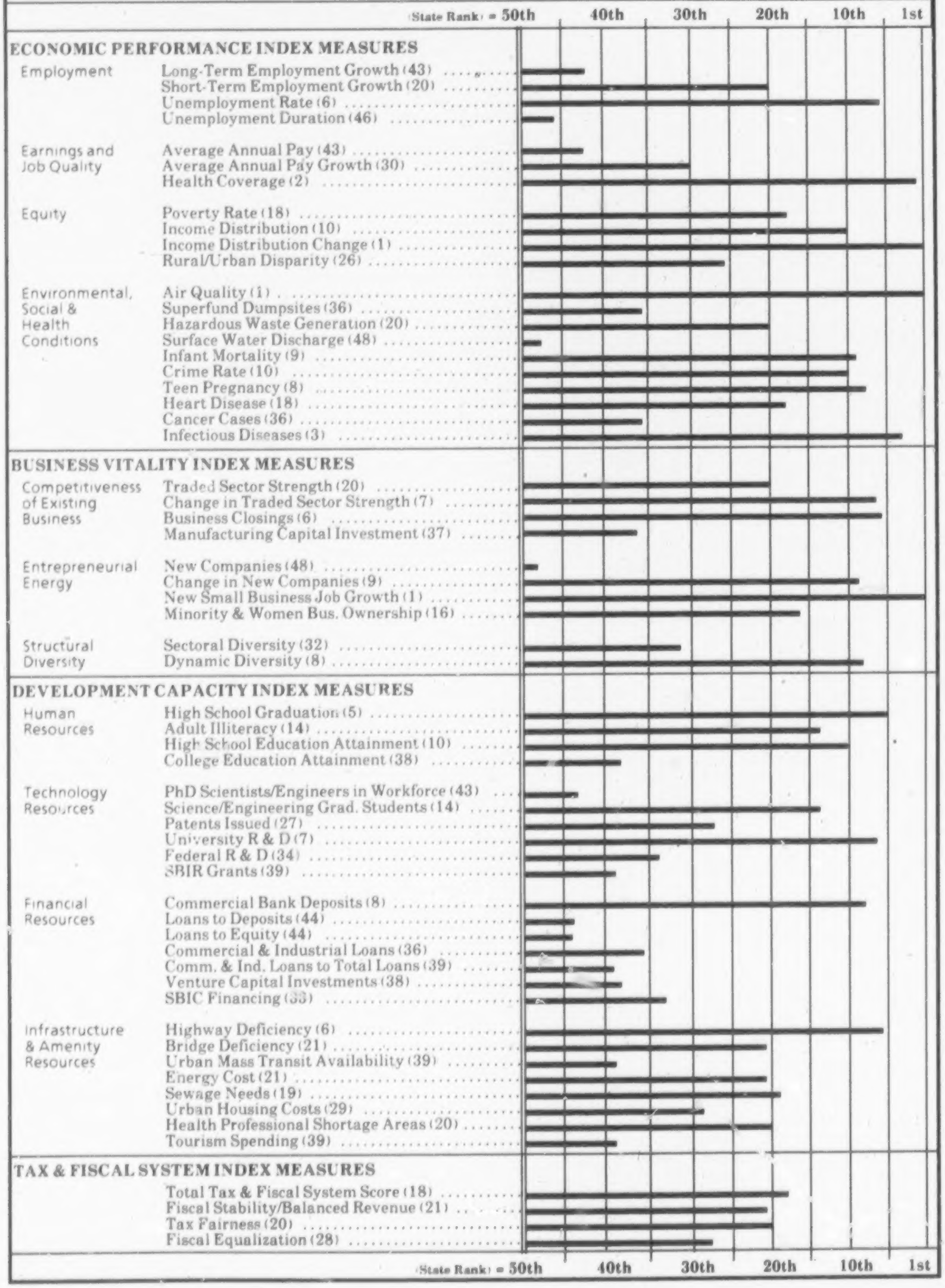
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE IOWA RANKS – MEASURE BY MEASURE



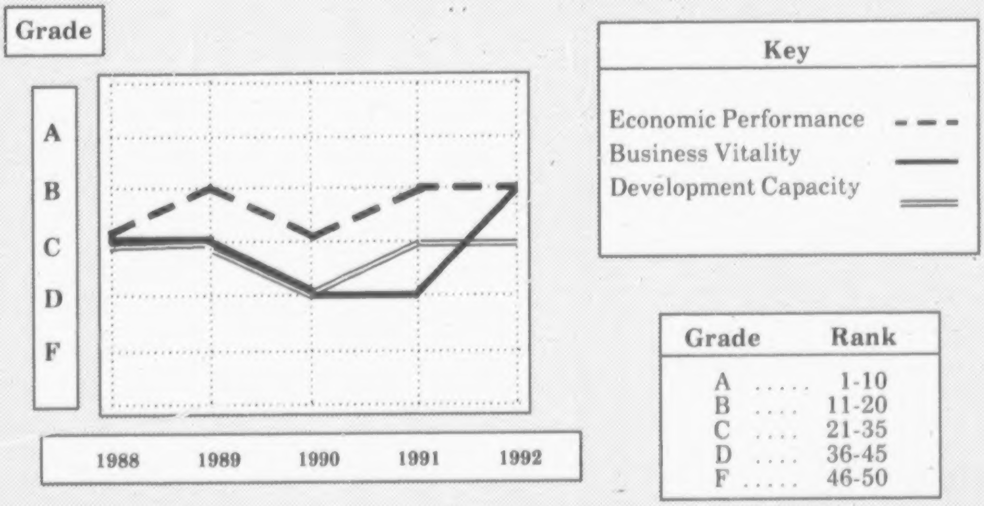
KANSAS 1992 REPORT CARD

Economic Performance	B
Employment	B
Earnings & Job Quality	C
Equity	A

Business Vitality	B
Business Competitiveness	C
Entreprenurial Energy	B
Structural Diversity	B

Development Capacity	C
Human Resources	A
Technology Resources	D
Financial Resources	C
Infra. & Amenity Resources	D

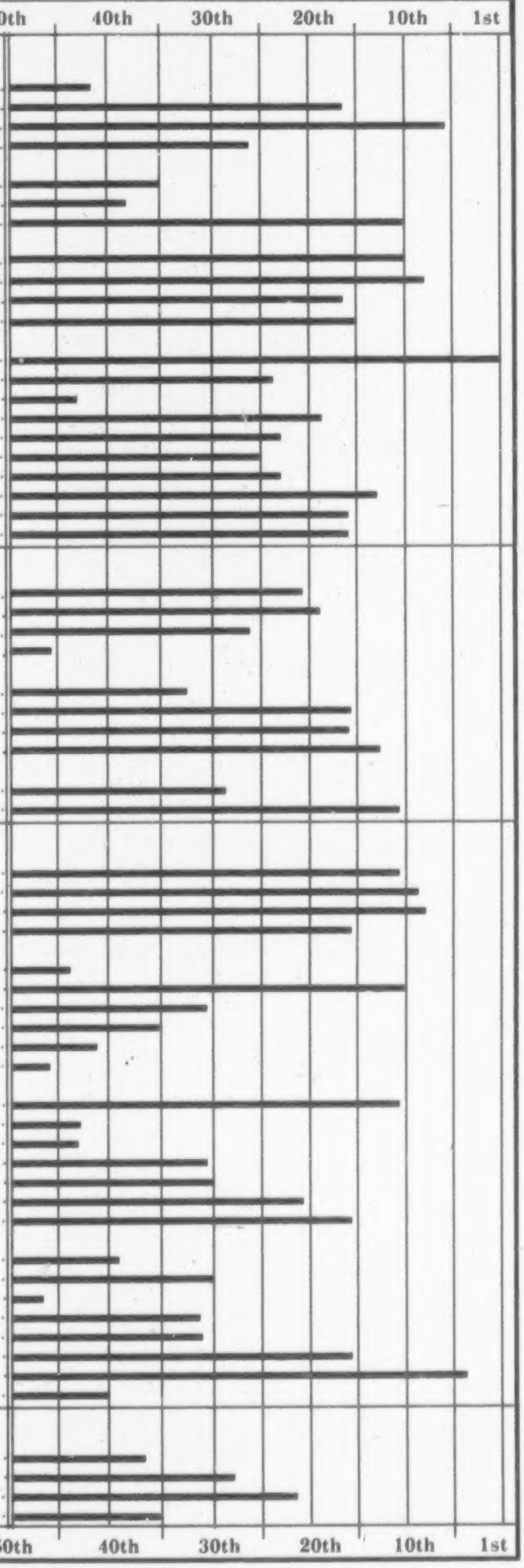
KANSAS REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

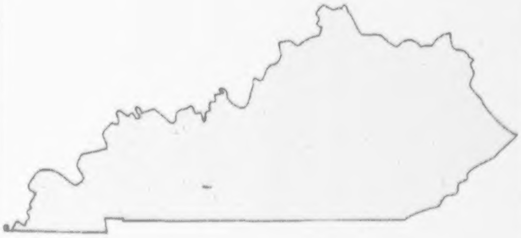
For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE KANSAS RANKS – MEASURE BY MEASURE



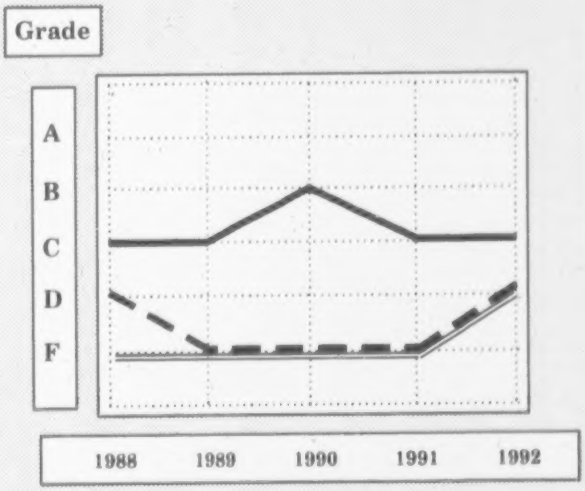
ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth (37)	
	Short-Term Employment Growth (17)	
	Unemployment Rate (6)	
	Unemployment Duration (27)	
Earnings and Job Quality	Average Annual Pay (35)	
	Average Annual Pay Growth (38)	
	Health Coverage (10)	
Equity	Poverty Rate (10)	
	Income Distribution (8)	
	Income Distribution Change (17)	
	Rural/Urban Disparity (15)	
Environmental, Social & Health Conditions	Air Quality (1)	
	Superfund Dumpsites (24)	
	Hazardous Waste Generation (43)	
	Surface Water Discharge (19)	
	Infant Mortality (23)	
	Crime Rate (25)	
	Teen Pregnancy (23)	
	Heart Disease (13)	
	Cancer Cases (16)	
	Infectious Diseases (16)	
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength (21)	
	Change in Traded Sector Strength (19)	
	Business Closings (27)	
	Manufacturing Capital Investment (46)	
Entrepreneurial Energy	New Companies (33)	
	Change in New Companies (16)	
	New Small Business Job Growth (16)	
	Minority & Women Bus. Ownership (13)	
Structural Diversity	Sectoral Diversity (29)	
	Dynamic Diversity (11)	
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation (11)	
	Adult Illiteracy (9)	
	High School Education Attainment (8)	
	College Education Attainment (16)	
Technology Resources	PhD Scientists/Engineers in Workforce (44)	
	Science/Engineering Grad. Students (10)	
	Patents Issued (31)	
	University R & D (35)	
	Federal R & D (42)	
	SBIR Grants (46)	
Financial Resources	Commercial Bank Deposits (11)	
	Loans to Deposits (43)	
	Loans to Equity (43)	
	Commercial & Industrial Loans (31)	
	Comm. & Ind. Loans to Total Loans (30)	
	Venture Capital Investments (21)	
	SBIC Financing (16)	
Infrastructure & Amenity Resources'	Highway Deficiency (39)	
	Bridge Deficiency (30)	
	Urban Mass Transit Availability (47)	
	Energy Cost (32)	
	Sewage Needs (32)	
	Urban Housing Costs (16)	
	Health Professional Shortage Areas (4)	
	Tourism Spending (40)	
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score (37)	
	Fiscal Stability/Balanced Revenue (28)	
	Tax Fairness (22)	
	Fiscal Equalization (35)	

KENTUCKY 1992 REPORT CARD



Economic Performance	**D**
Employment	F
Earnings & Job Quality	C
Equity	C
Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	A
Development Capacity	**D**
Human Resources	D
Technology Resources	F
Financial Resources	C
Infra. & Amenity Resources	A

KENTUCKY REPORT CARD TRENDS



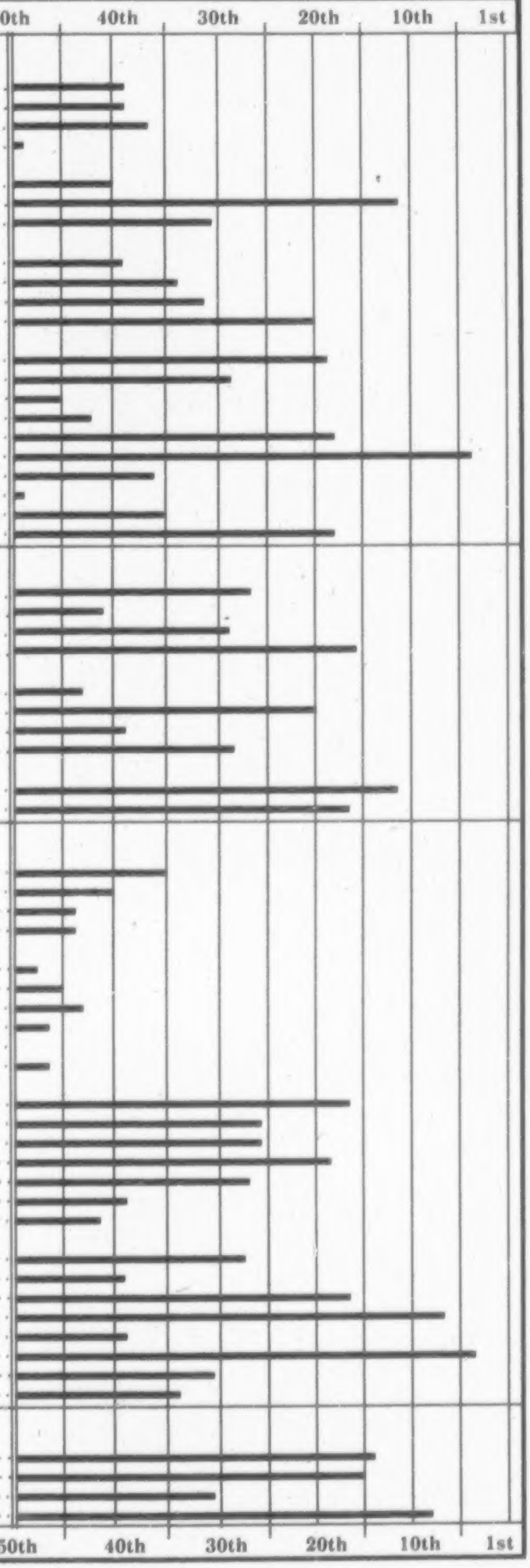
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE KENTUCKY RANKS – MEASURE BY MEASURE

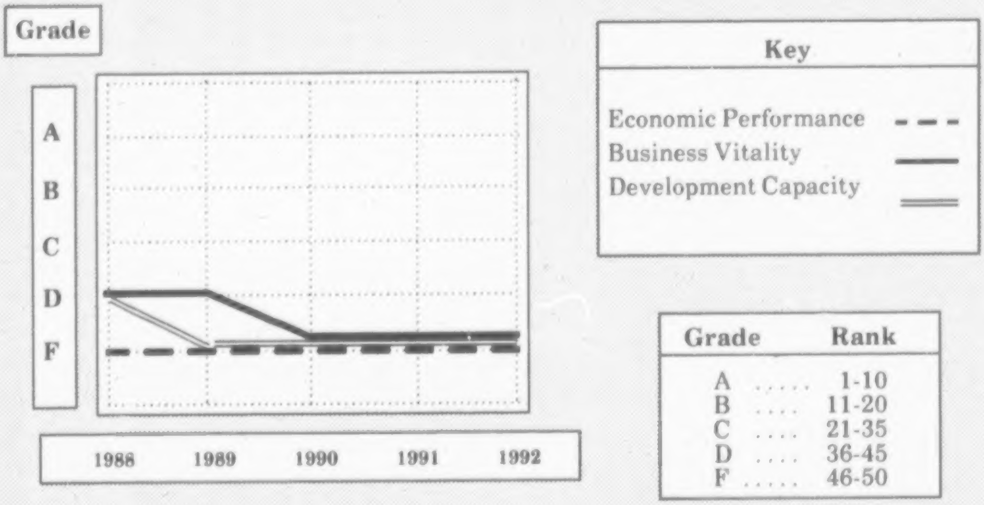


ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth	(39)
	Short-Term Employment Growth	(39)
	Unemployment Rate	(37)
	Unemployment Duration	(49)
Earnings and Job Quality	Average Annual Pay	(40)
	Average Annual Pay Growth	(12)
	Health Coverage	(31)
Equity	Poverty Rate	(39)
	Income Distribution	(34)
	Income Distribution Change	(32)
	Rural/Urban Disparity	(20)
Environmental, Social & Health Conditions	Air Quality	(19)
	Superfund Dumpsites	(29)
	Hazardous Waste Generation	(45)
	Surface Water Discharge	(43)
	Infant Mortality	(18)
	Crime Rate	(4)
	Teen Pregnancy	(36)
	Heart Disease	(49)
	Cancer Cases	(35)
	Infectious Diseases	(18)
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength	(27)
	Change in Traded Sector Strength	(41)
	Business Closings	(29)
	Manufacturing Capital Investment	(16)
Entrepreneurial Energy	New Companies	(43)
	Change in New Companies	(20)
	New Small Business Job Growth	(39)
	Minority & Women Bus. Ownership	(29)
Structural Diversity	Sectoral Diversity	(12)
	Dynamic Diversity	(17)
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation	(35)
	Adult Illiteracy	(40)
	High School Education Attainment	(44)
	College Education Attainment	(44)
Technology Resources	PhD Scientists/Engineers in Workforce	(48)
	Science/Engineering Grad. Students	(45)
	Patents Issued	(43)
	University R & D	(47)
	Federal R & D	(50)
	SBIR Grants	(47)
Financial Resources	Commercial Bank Deposits	(22)
	Loans to Deposits	(26)
	Loans to Equity	(26)
	Commercial & Industrial Loans	(19)
	Comm. & Ind. Loans to Total Loans	(27)
	Venture Capital Investments	(39)
	SBIC Financing	(42)
Infrastructure & Amenity Resources	Highway Deficiency	(28)
	Bridge Deficiency	(39)
	Urban Mass Transit Availability	(17)
	Energy Cost	(7)
	Sewage Needs	(39)
	Urban Housing Costs	(4)
	Health Professional Shortage Areas	(31)
	Tourism Spending	(34)
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score	(14)
	Fiscal Stability/Balanced Revenue	(15)
	Tax Fairness	(31)
	Fiscal Equalization	(8)

LOUISIANA 1992 REPORT CARD

Economic Performance	**F**
Employment	D
Earnings & Job Quality	D
Equity	F
Business Vitality	**F**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	D
Development Capacity	**F**
Human Resources	F
Technology Resources	D
Financial Resources	F
Infra. & Amenity Resources	D

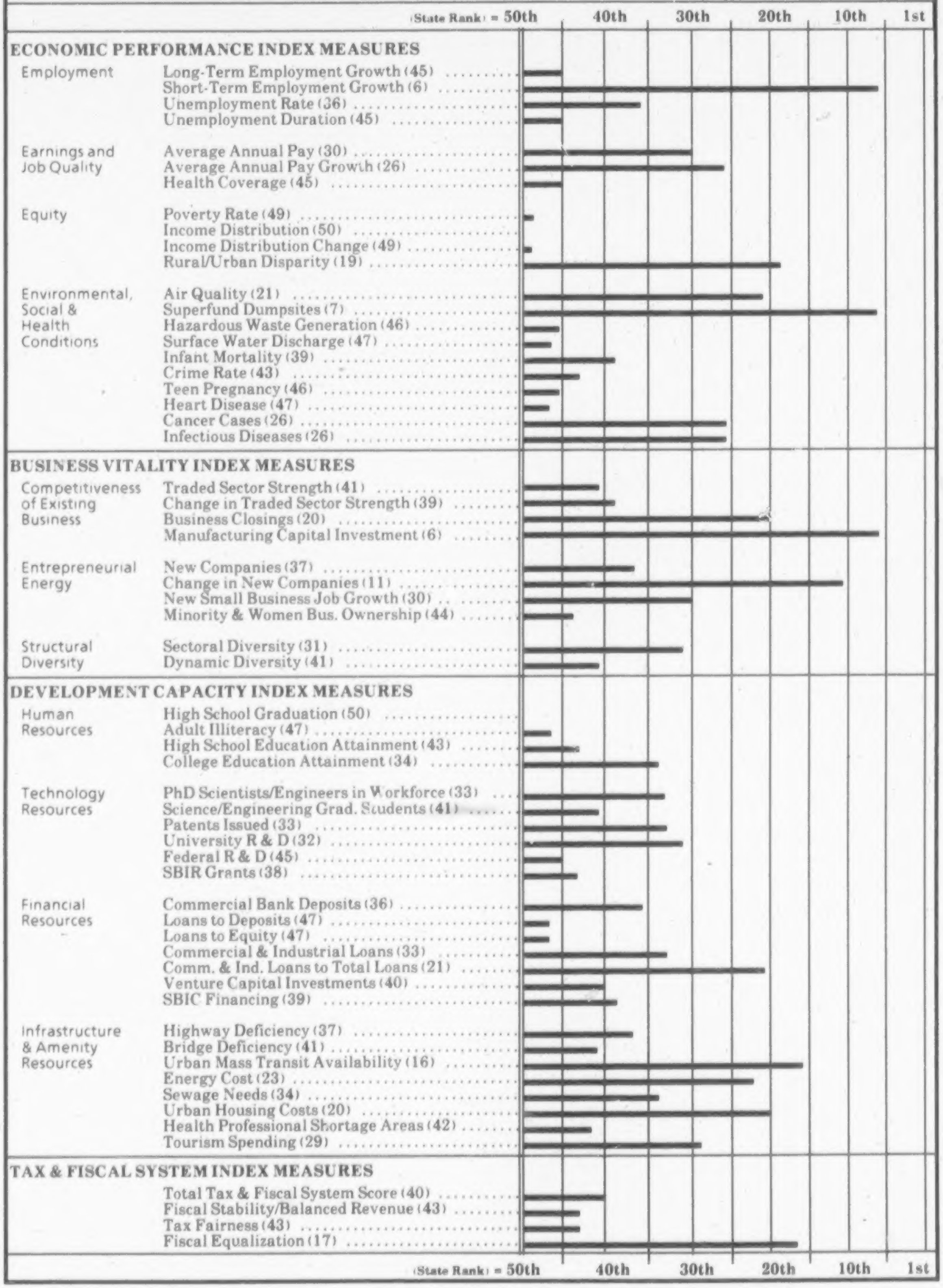
LOUISIANA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

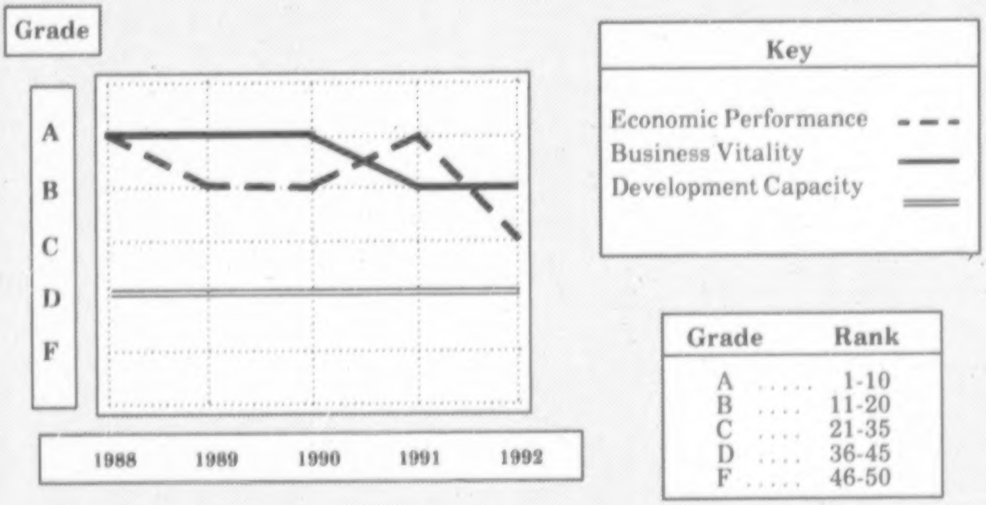
WHERE LOUISIANA RANKS – MEASURE BY MEASURE



MAINE 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	B
Equity	B
Business Vitality	**B**
Business Competitiveness	C
Entreprenurial Energy	C
Structural Diversity	B
Development Capacity	**D**
Human Resources	C
Technology Resources	D
Financial Resources	C
Infra. & Amenity Resources	F

MAINE REPORT CARD TRENDS

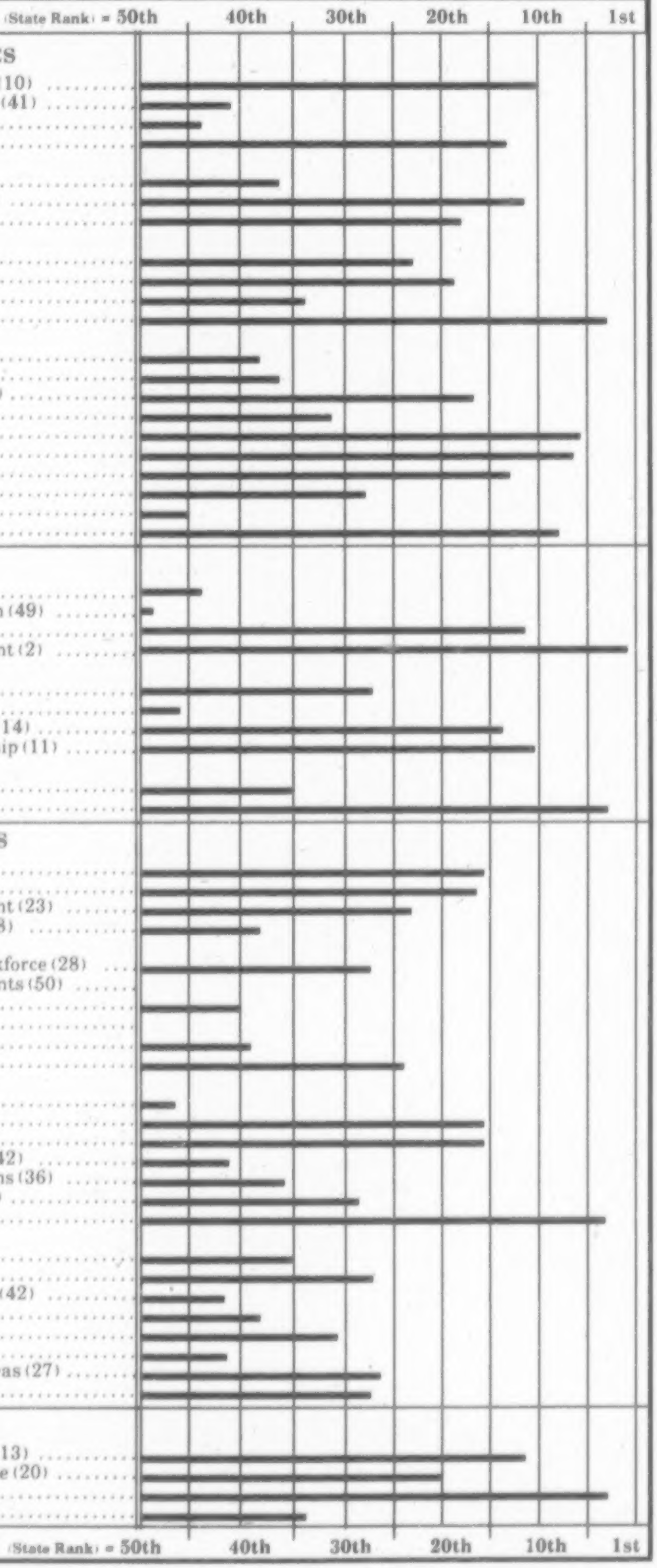


Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE MAINE RANKS – MEASURE BY MEASURE

ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (10)
	Short-Term Employment Growth (41)
	Unemployment Rate (44)
	Unemployment Duration (13)
Earnings and Job Quality	Average Annual Pay (37)
	Average Annual Pay Growth (12)
	Health Coverage (18)
Equity	Poverty Rate (23)
	Income Distribution (19)
	Income Distribution Change (34)
	Rural/Urban Disparity (3)
Environmental, Social & Health Conditions	Air Quality (38)
	Superfund Dumpsites (37)
	Hazardous Waste Generation (17)
	Surface Water Discharge (32)
	Infant Mortality (6)
	Crime Rate (7)
	Teen Pregnancy (13)
	Heart Disease (28)
	Cancer Cases (45)
	Infectious Diseases (8)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (44)
	Change in Traded Sector Strength (49)
	Business Closings (12)
	Manufacturing Capital Investment (2)
Entrepreneurial Energy	New Companies (28)
	Change in New Companies (46)
	New Small Business Job Growth (14)
	Minority & Women Bus. Ownership (11)
Structural Diversity	Sectoral Diversity (35)
	Dynamic Diversity (3)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (16)
	Adult Illiteracy (17)
	High School Education Attainment (23)
	College Education Attainment (38)
Technology Resources	PhD Scientists/Engineers in Workforce (28)
	Science/Engineering Grad. Students (50)
	Patents Issued (40)
	University R & D (50)
	Federal R & D (39)
	SBIR Grants (24)
Financial Resources	Commercial Bank Deposits (47)
	Loans to Deposits (16)
	Loans to Equity (16)
	Commercial & Industrial Loans (42)
	Comm. & Ind. Loans to Total Loans (36)
	Venture Capital Investments (29)
	SBIC Financing (3)
Infrastructure & Amenity Resources	Highway Deficiency (35)
	Bridge Deficiency (28)
	Urban Mass Transit Availability (42)
	Energy Cost (38)
	Sewage Needs (31)
	Urban Housing Costs (47)
	Health Professional Shortage Areas (27)
	Tourism Spending (28)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (13)
	Fiscal Stability/Balanced Revenue (20)
	Tax Fairness (3)
	Fiscal Equalization (34)



The Corporation for Enterprise Development

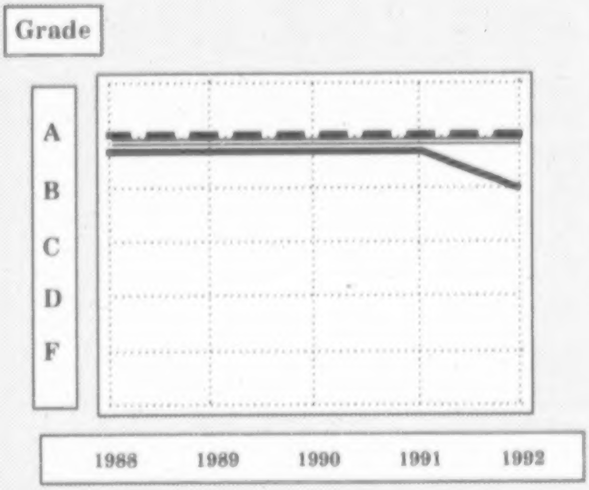
MARYLAND 1992 REPORT CARD

Economic Performance	**A**
Employment	A
Earnings & Job Quality	A
Equity	B

Business Vitality	**B**
Business Competitiveness	C
Entreprenurial Energy	B
Structural Diversity	C

Development Capacity	**A**
Human Resources	C
Technology Resources	A
Financial Resources	B
Infra. & Amenity Resources	B

MARYLAND REPORT CARD TRENDS



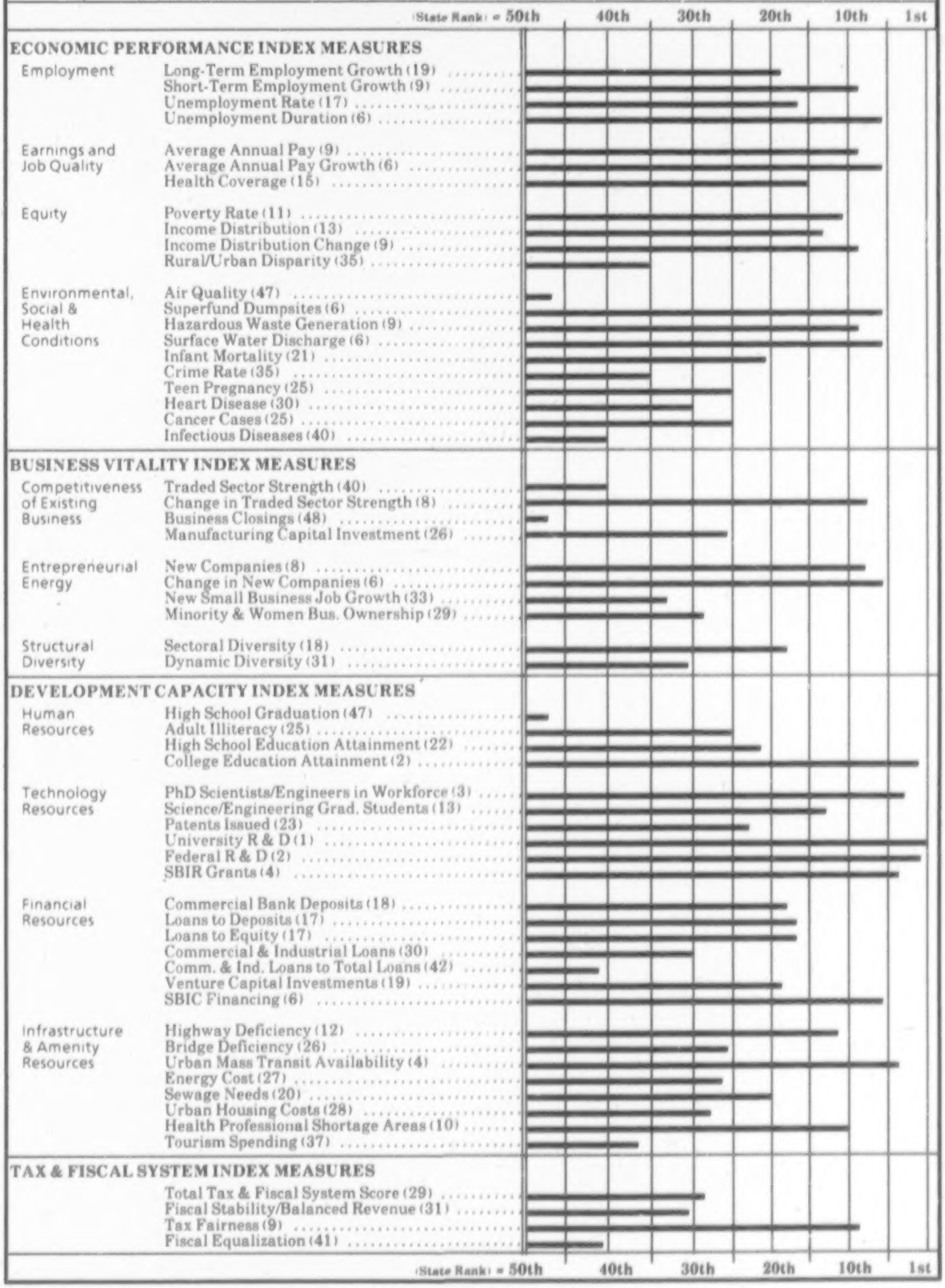
Key

Economic Performance - - -
Business Vitality ━
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE MARYLAND RANKS – MEASURE BY MEASURE



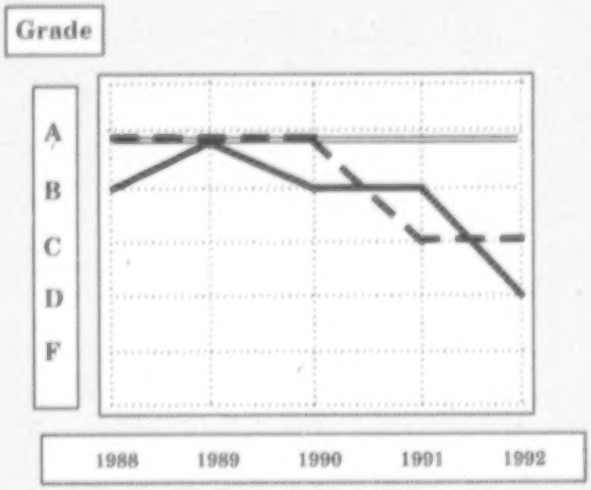
MASSACHUSETTS 1992 REPORT CARD

Economic Performance	C
Employment	F
Earnings & Job Quality	A
Equity	C

Business Vitality	D
Business Competitiveness	B
Entreprenurial Energy	F
Structural Diversity	C

Development Capacity	A
Human Resources	A
Technology Resources	A
Financial Resources	A
Infra. & Amenity Resources	C

MASSACHUSETTS REPORT CARD TRENDS



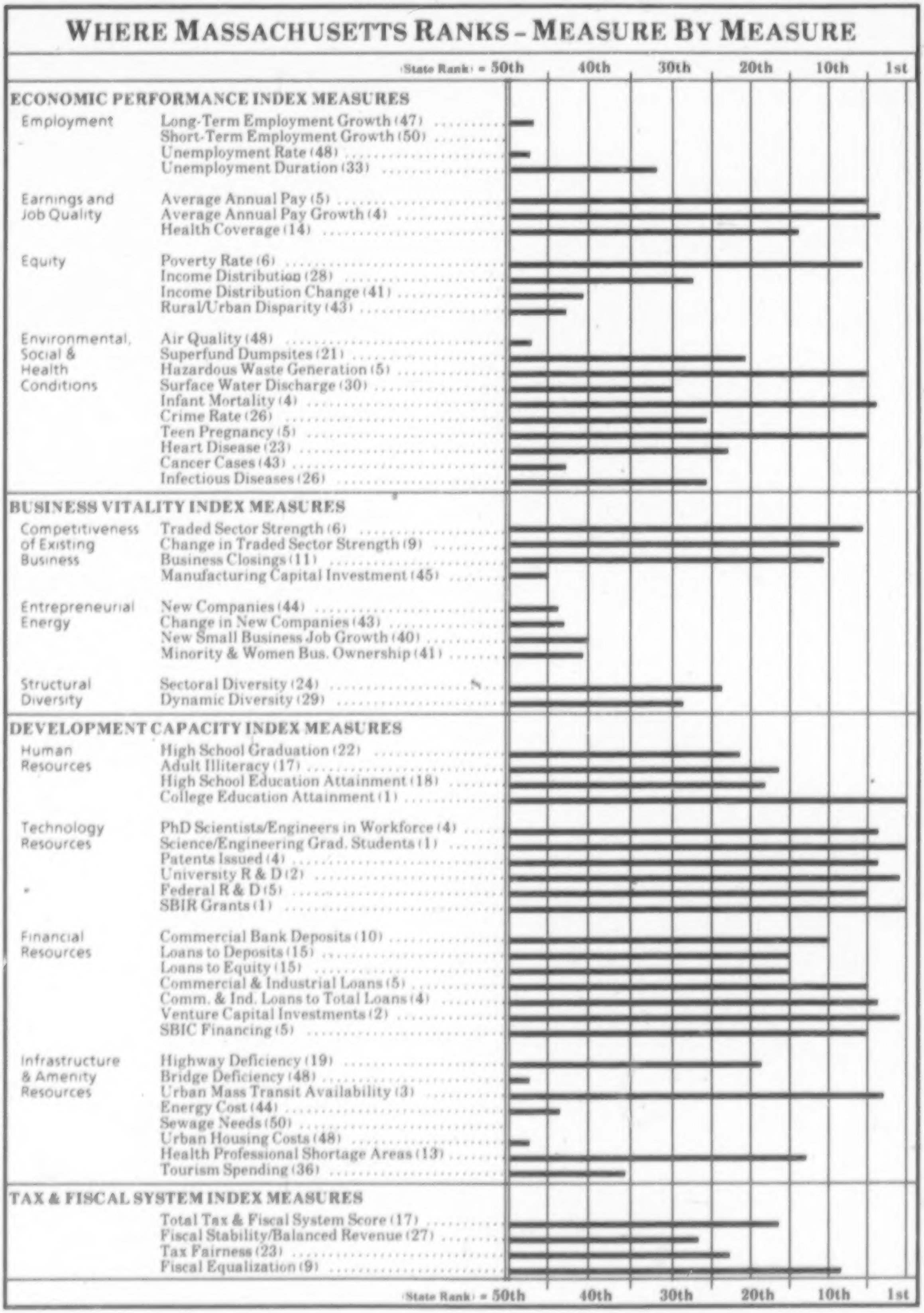
Key

Economic Performance - - -
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE MASSACHUSETTS RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth	(47)
	Short-Term Employment Growth	(50)
	Unemployment Rate	(48)
	Unemployment Duration	(33)
Earnings and Job Quality	Average Annual Pay	(5)
	Average Annual Pay Growth	(4)
	Health Coverage	(14)
Equity	Poverty Rate	(6)
	Income Distribution	(28)
	Income Distribution Change	(41)
	Rural/Urban Disparity	(43)
Environmental, Social & Health Conditions	Air Quality	(48)
	Superfund Dumpsites	(21)
	Hazardous Waste Generation	(5)
	Surface Water Discharge	(30)
	Infant Mortality	(4)
	Crime Rate	(26)
	Teen Pregnancy	(5)
	Heart Disease	(23)
	Cancer Cases	(43)
	Infectious Diseases	(26)
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength	(6)
	Change in Traded Sector Strength	(9)
	Business Closings	(11)
	Manufacturing Capital Investment	(45)
Entrepreneurial Energy	New Companies	(44)
	Change in New Companies	(43)
	New Small Business Job Growth	(40)
	Minority & Women Bus. Ownership	(41)
Structural Diversity	Sectoral Diversity	(24)
	Dynamic Diversity	(29)
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation	(22)
	Adult Illiteracy	(17)
	High School Education Attainment	(18)
	College Education Attainment	(1)
Technology Resources	PhD Scientists/Engineers in Workforce	(4)
	Science/Engineering Grad. Students	(1)
	Patents Issued	(4)
	University R & D	(2)
	Federal R & D	(5)
	SBIR Grants	(1)
Financial Resources	Commercial Bank Deposits	(10)
	Loans to Deposits	(15)
	Loans to Equity	(15)
	Commercial & Industrial Loans	(5)
	Comm. & Ind. Loans to Total Loans	(4)
	Venture Capital Investments	(2)
	SBIC Financing	(5)
Infrastructure & Amenity Resources	Highway Deficiency	(19)
	Bridge Deficiency	(48)
	Urban Mass Transit Availability	(3)
	Energy Cost	(44)
	Sewage Needs	(50)
	Urban Housing Costs	(48)
	Health Professional Shortage Areas	(13)
	Tourism Spending	(36)
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score	(17)
	Fiscal Stability/Balanced Revenue	(27)
	Tax Fairness	(23)
	Fiscal Equalization	(9)

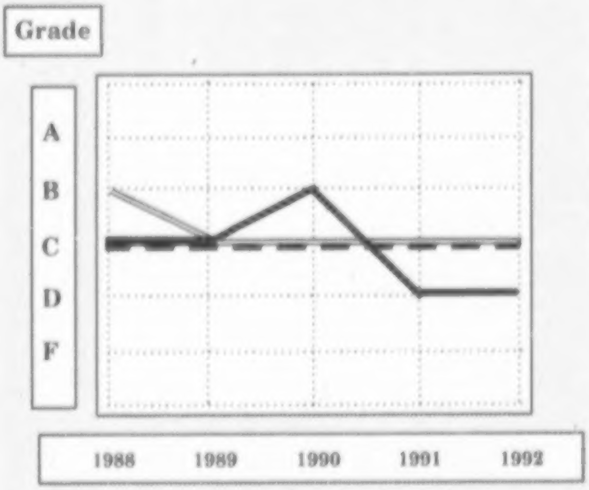
MICHIGAN 1992 REPORT CARD

Economic Performance	**C**
Employment	D
Earnings & Job Quality	C
Equity	B

Business Vitality	**D**
Business Competitiveness	A
Entreprenurial Energy	F
Structural Diversity	C

Development Capacity	**C**
Human Resources	C
Technology Resources	C
Financial Resources	B
Infra. & Amenity Resources	B

MICHIGAN REPORT CARD TRENDS

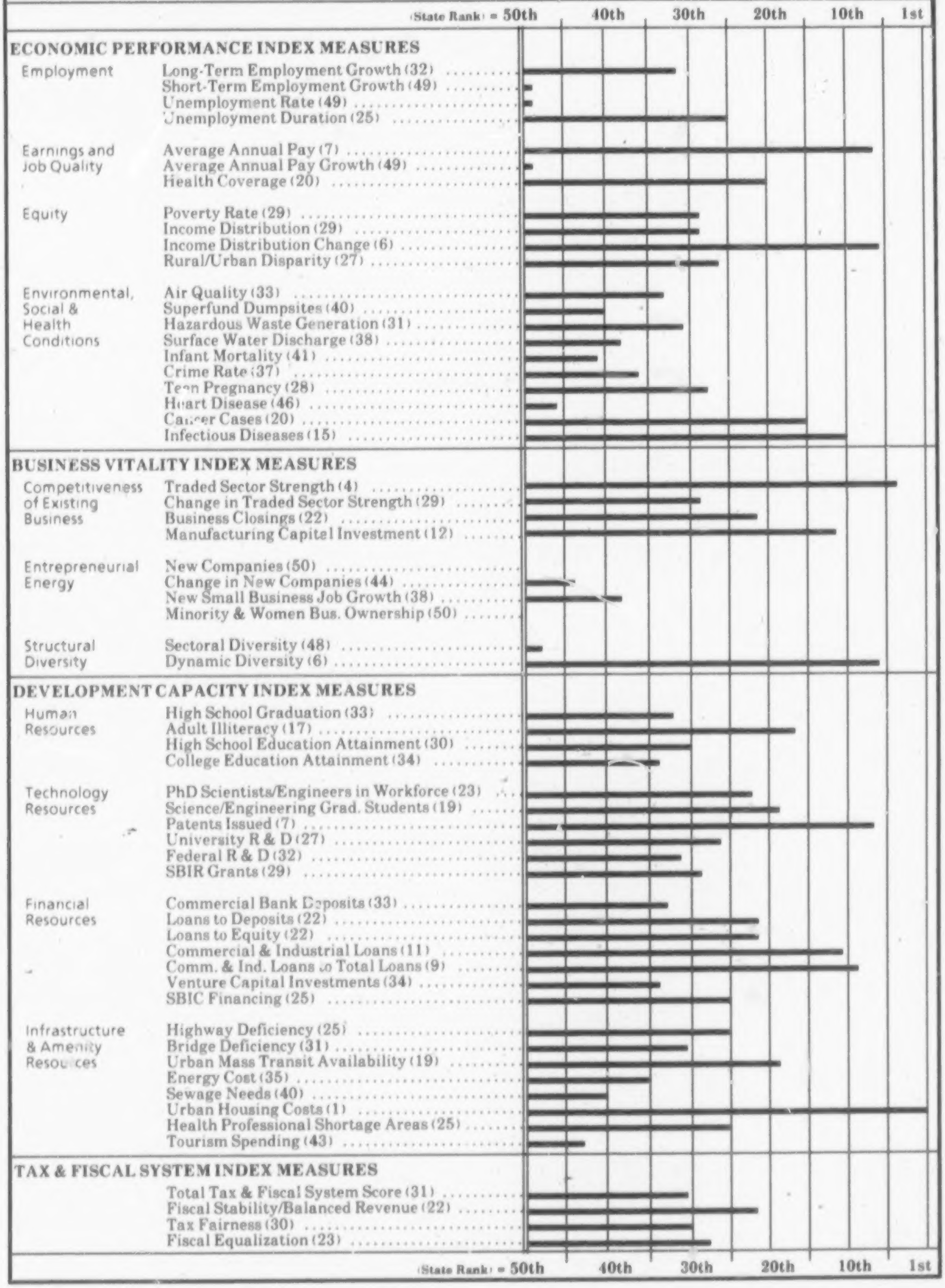


Key	
Economic Performance	- - -
Business Vitality	—
Development Capacity	═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

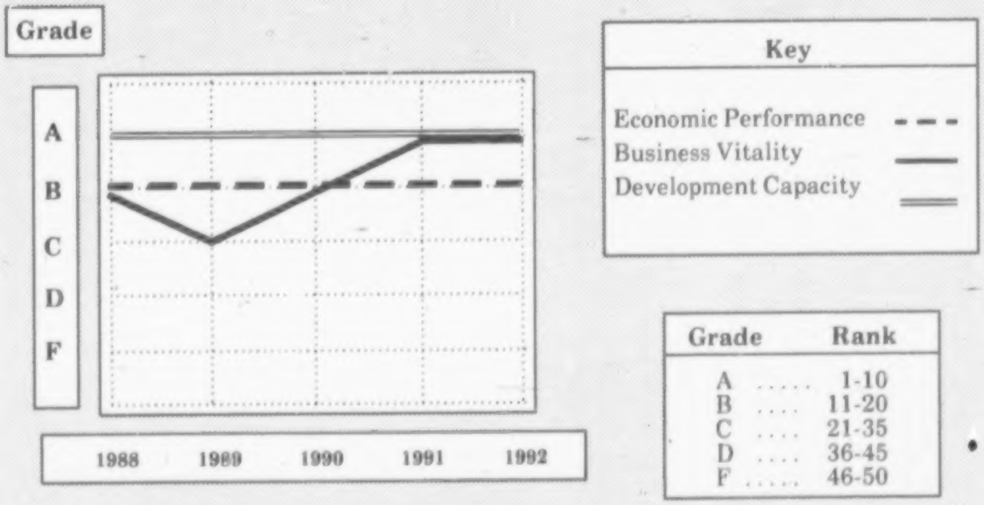
WHERE MICHIGAN RANKS – MEASURE BY MEASURE



MINNESOTA 1992 REPORT CARD

Economic Performance	**B**
Employment	B
Earnings & Job Quality	A
Equity	C
Business Vitality	**A**
Business Competitiveness	A
Entreprenurial Energy	B
Structural Diversity	B
Development Capacity	**A**
Human Resources	A
Technology Resources	B
Financial Resources	A
Infra. & Amenity Resources	A

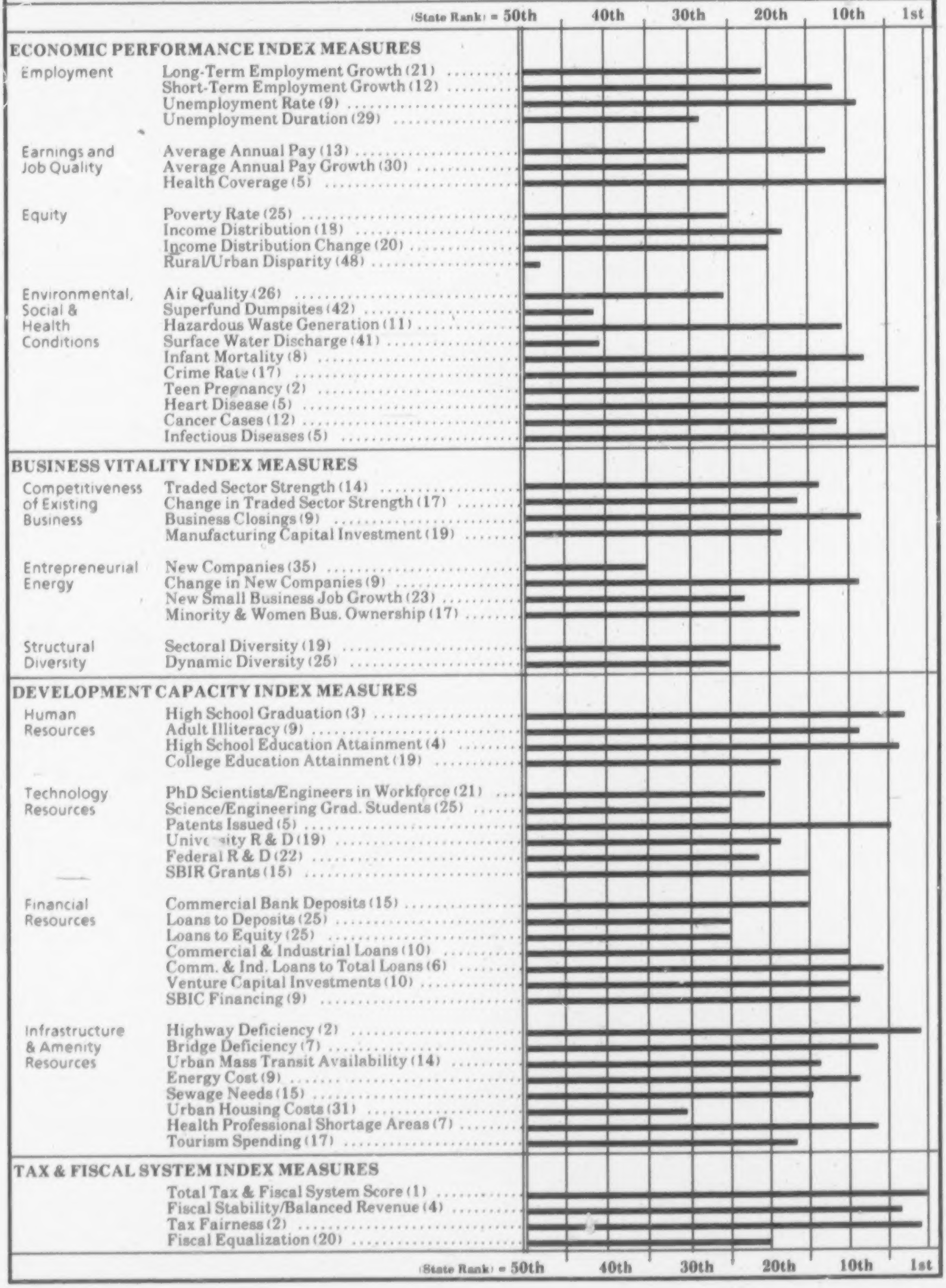
MINNESOTA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE MINNESOTA RANKS - MEASURE BY MEASURE



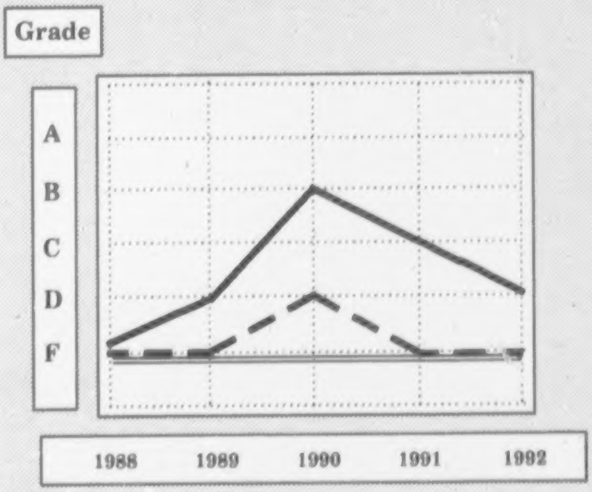
MISSISSIPPI 1992 REPORT CARD

Economic Performance	**F**
Employment	C
Earnings & Job Quality	F
Equity	F

Business Vitality	**D**
Business Competitiveness	D
Entreprenurial Energy	D
Structural Diversity	A

Development Capacity	**F**
Human Resources	F
Technology Resources	F
Financial Resources	D
Infra. & Amenity Resources	F

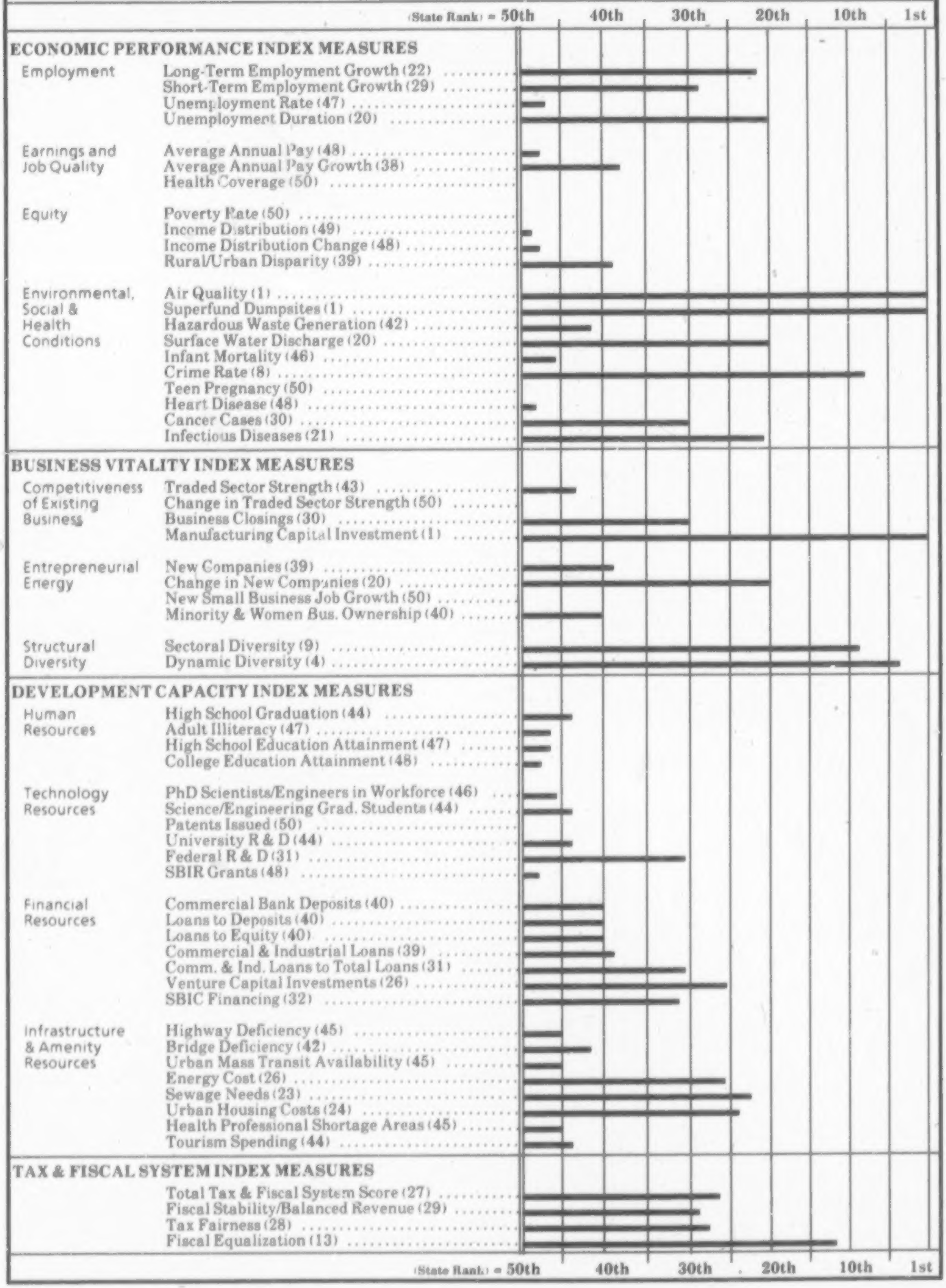
MISSISSIPPI REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

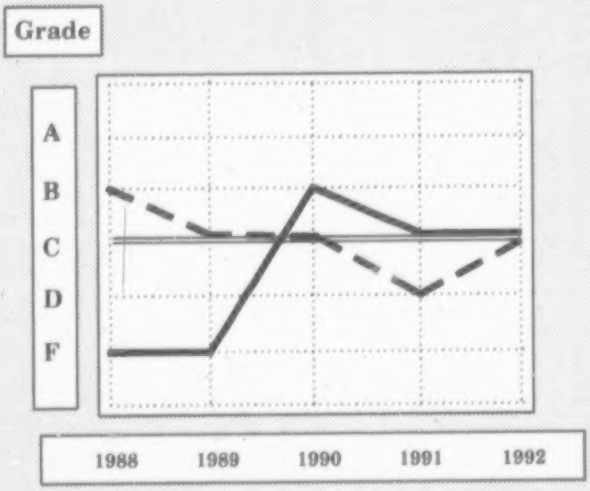
WHERE MISSISSIPPI RANKS – MEASURE BY MEASURE



MISSOURI 1992 REPORT CARD

Economic Performance	**C**
Employment	B
Earnings & Job Quality	C
Equity	C
Business Vitality	**C**
Business Competitiveness	D
Entreprenurial Energy	C
Structural Diversity	A
Development Capacity	**C**
Human Resources	C
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	C

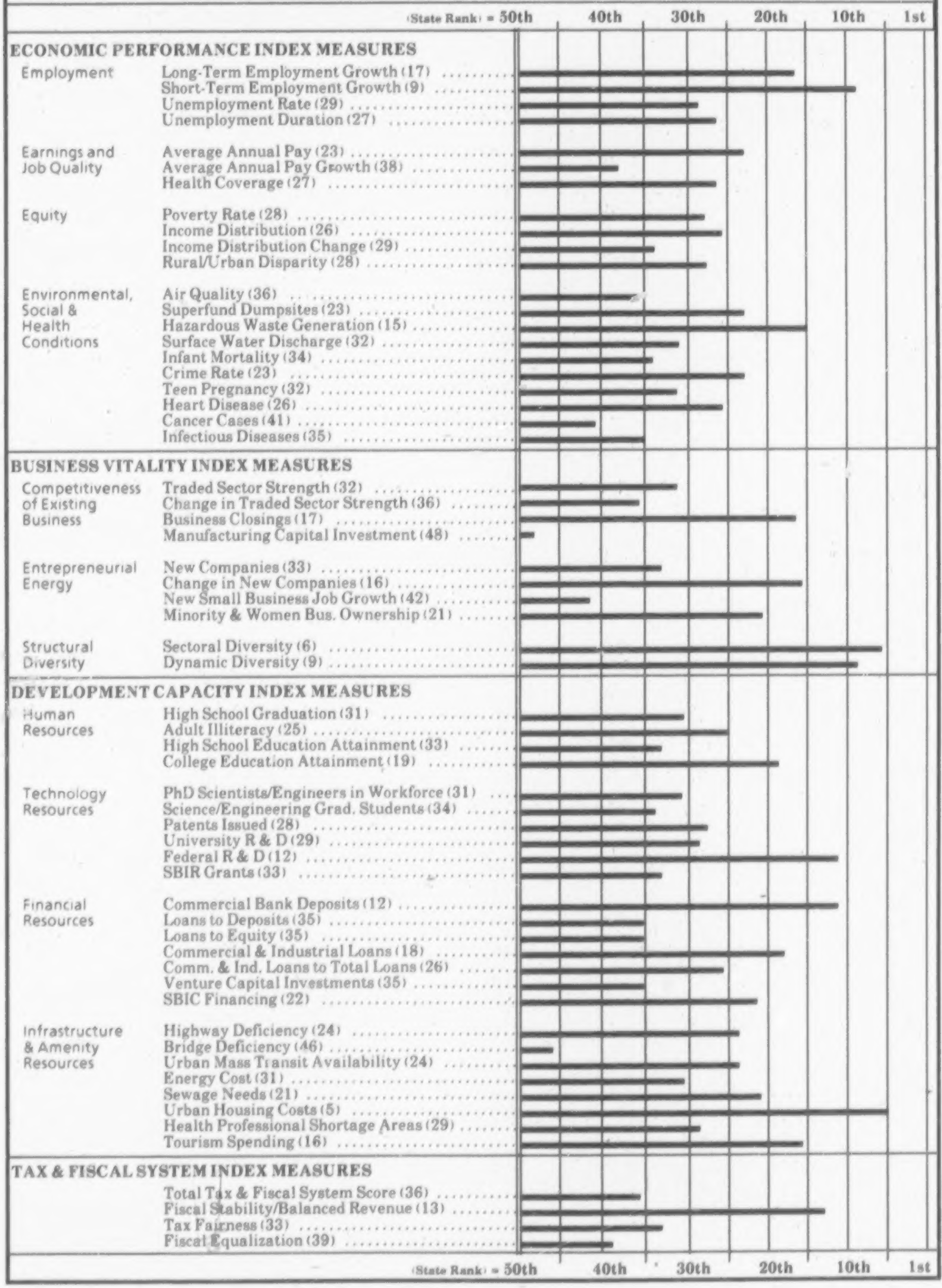
MISSOURI REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE MISSOURI RANKS – MEASURE BY MEASURE

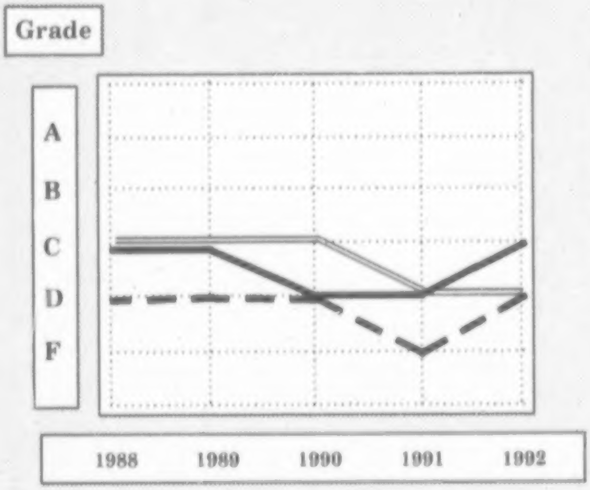


The Corporation for Enterprise Development

MONTANA 1992 REPORT CARD

Economic Performance	**D**
Employment	D
Earnings & Job Quality	F
Equity	C
Business Vitality	**C**
Business Competitiveness	D
Entreprenurial Energy	B
Structural Diversity	C
Development Capacity	**D**
Human Resources	A
Technology Resources	D
Financial Resources	D
Infra. & Amenity Resources	D

MONTANA REPORT CARD TRENDS

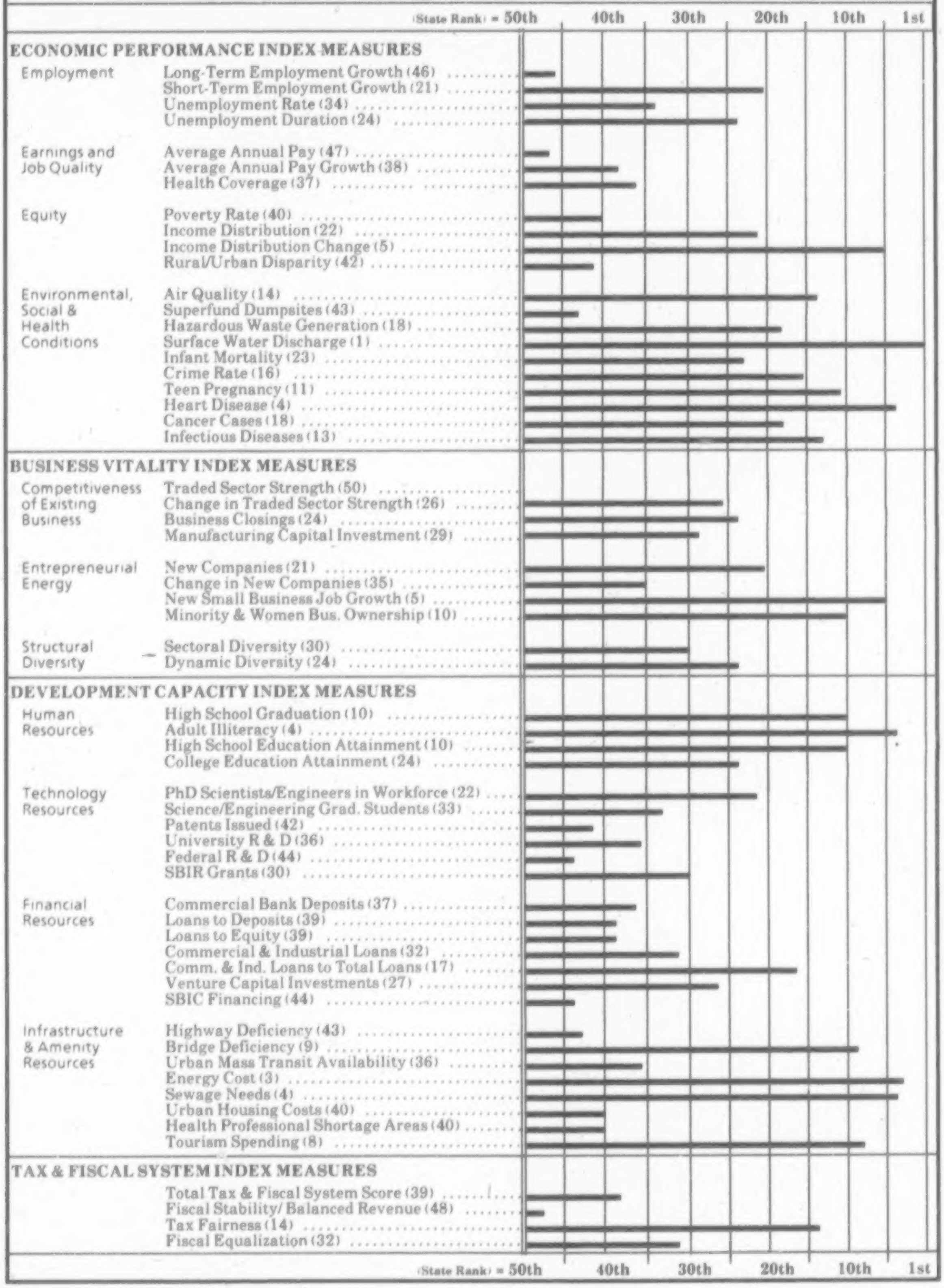


Key	
Economic Performance	- - -
Business Vitality	—
Development Capacity	═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

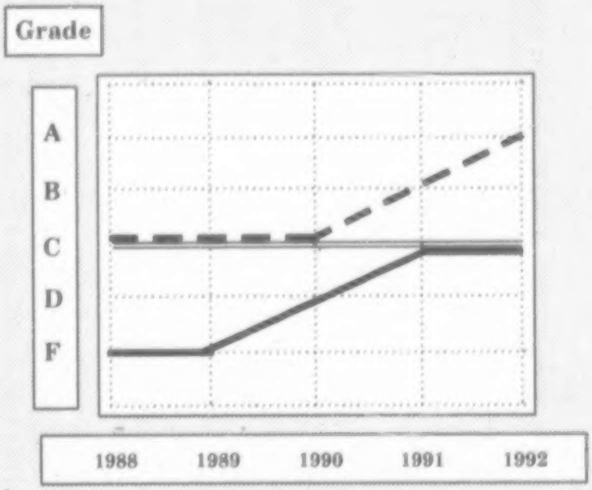
WHERE MONTANA RANKS – MEASURE BY MEASURE



NEBRASKA 1992 REPORT CARD

Economic Performance	**A**
Employment	A
Earnings & Job Quality	C
Equity	A
Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	C
Structural Diversity	C
Development Capacity	**C**
Human Resources	A
Technology Resources	C
Financial Resources	D
Infra. & Amenity Resources	C

NEBRASKA REPORT CARD TRENDS



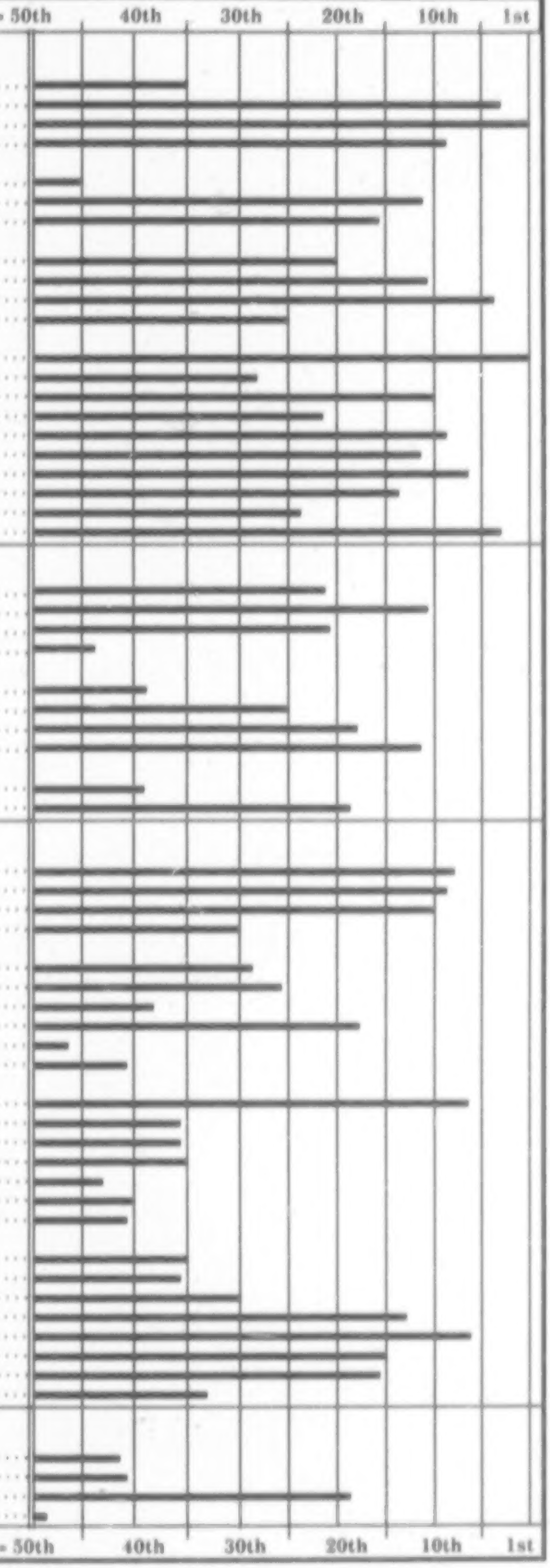
Key

Economic Performance - - -
Business Vitality —
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE NEBRASKA RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth (35)	
	Short-Term Employment Growth (3)	
	Unemployment Rate (1)	
	Unemployment Duration (9)	
Earnings and Job Quality	Average Annual Pay (45)	
	Average Annual Pay Growth (12)	
	Health Coverage (16)	
Equity	Poverty Rate (20)	
	Income Distribution (11)	
	Income Distribution Change (4)	
	Rural/Urban Disparity (25)	
Environmental, Social & Health Conditions	Air Quality (1)	
	Superfund Dumpsites (28)	
	Hazardous Waste Generation (10)	
	Surface Water Discharge (22)	
	Infant Mortality (9)	
	Crime Rate (12)	
	Teen Pregnancy (7)	
	Heart Disease (14)	
	Cancer Cases (24)	
	Infectious Diseases (3)	
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength (22)	
	Change in Traded Sector Strength (11)	
	Business Closings (21)	
	Manufacturing Capital Investment (44)	
Entrepreneurial Energy	New Companies (39)	
	Change in New Companies (25)	
	New Small Business Job Growth (18)	
	Minority & Women Bus. Ownership (12)	
Structural Diversity	Sectoral Diversity (39)	
	Dynamic Diversity (19)	
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation (8)	
	Adult Illiteracy (9)	
	High School Education Attainment (10)	
	College Education Attainment (30)	
Technology Resources	PhD Scientists/Engineers in Workforce (29)	
	Science/Engineering Grad. Students (26)	
	Patents Issued (38)	
	University R & D (18)	
	Federal R & D (47)	
	SBIR Grants (41)	
Financial Resources	Commercial Bank Deposits (7)	
	Loans to Deposits (36)	
	Loans to Equity (36)	
	Commercial & Industrial Loans (35)	
	Comm. & Ind. Loans to Total Loans (43)	
	Venture Capital Investments (40)	
	SBIC Financing (41)	
Infrastructure & Amenity Resources	Highway Deficiency (35)	
	Bridge Deficiency (36)	
	Urban Mass Transit Availability (30)	
	Energy Cost (13)	
	Sewage Needs (7)	
	Urban Housing Costs (15)	
	Health Professional Shortage Areas (16)	
	Tourism Spending (33)	
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score (42)	
	Fiscal Stability/Balanced Revenue (41)	
	Tax Fairness (19)	
	Fiscal Equalization (49)	

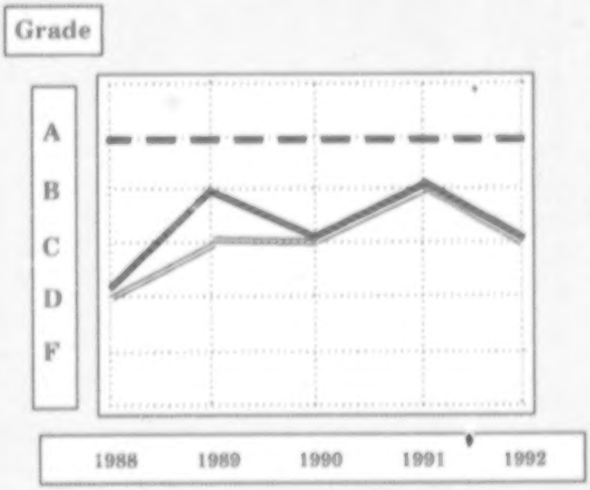
NEVADA 1992 REPORT CARD

Economic Performance	**A**
Employment	A
Earnings & Job Quality	B
Equity	A

Business Vitality	**C**
Business Competitiveness	B
Entreprenurial Energy	B
Structural Diversity	F

Development Capacity	**C**
Human Resources	C
Technology Resources	D
Financial Resources	C
Infra. & Amenity Resources	C

NEVADA REPORT CARD TRENDS



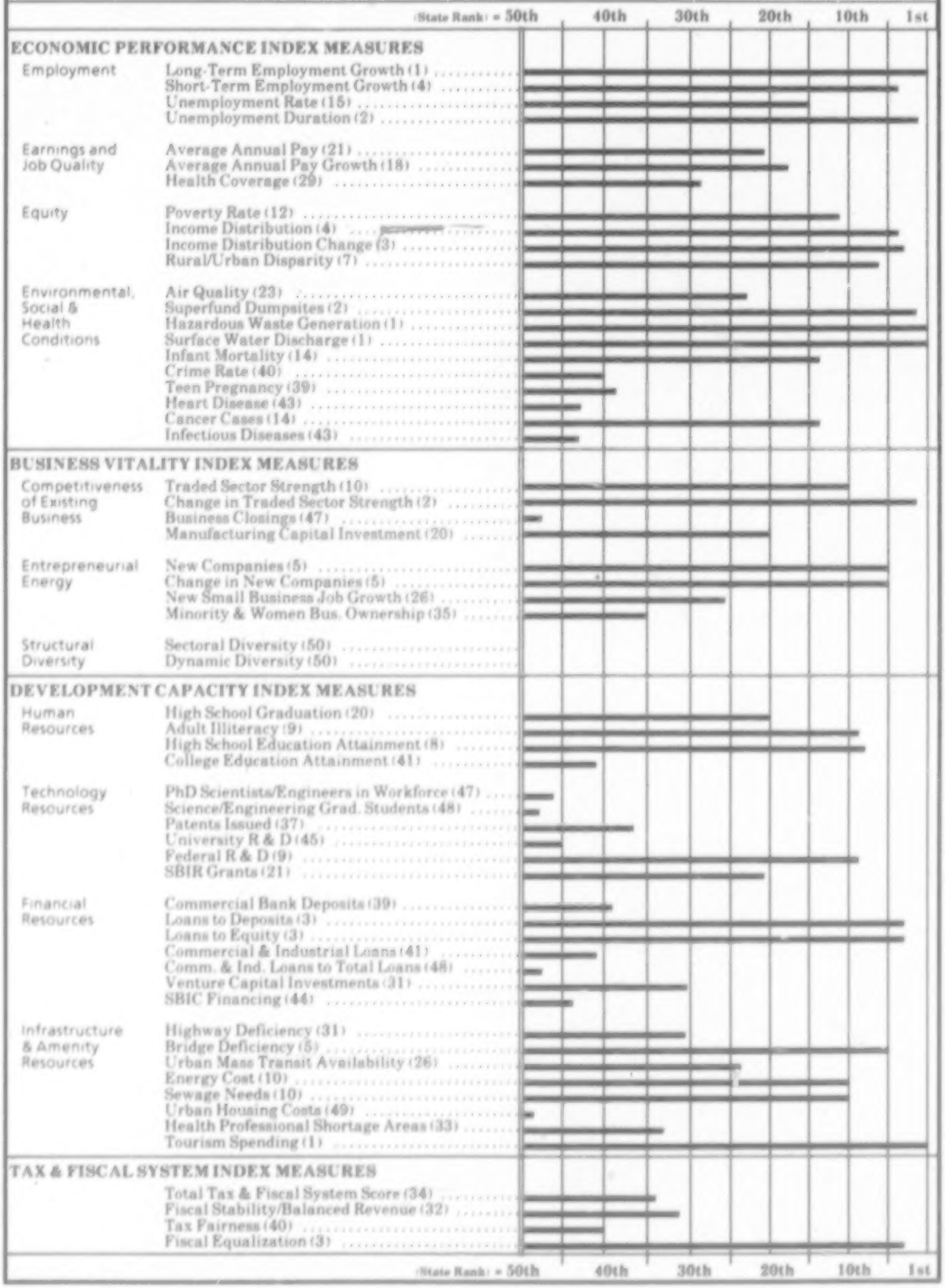
Key

Economic Performance - - -
Business Vitality ―
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE NEVADA RANKS – MEASURE BY MEASURE



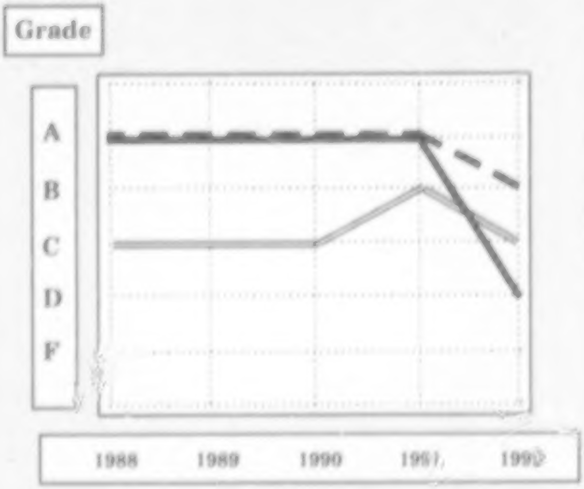
NEW HAMPSHIRE 1992 REPORT CARD

Economic Performance	**B**
Employment	C
Earnings & Job Quality	B
Equity	A

Business Vitality	**D**
Business Competitiveness	D
Entreprenurial Energy	A
Structural Diversity	D

Development Capacity	**C**
Human Resources	A
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	F

NEW HAMPSHIRE REPORT CARD TRENDS



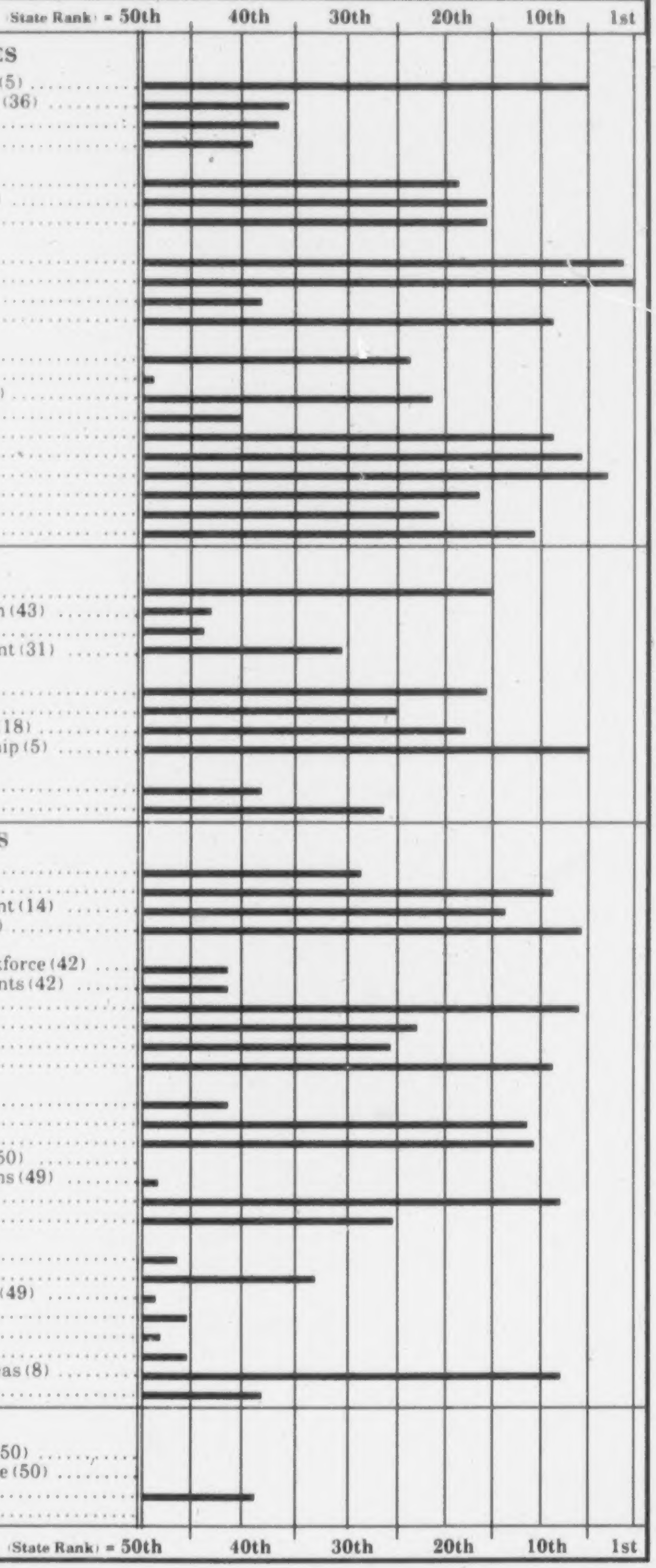
Key

Economic Performance - - -
Business Vitality —
Development Capacity —

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE NEW HAMPSHIRE RANKS – MEASURE BY MEASURE

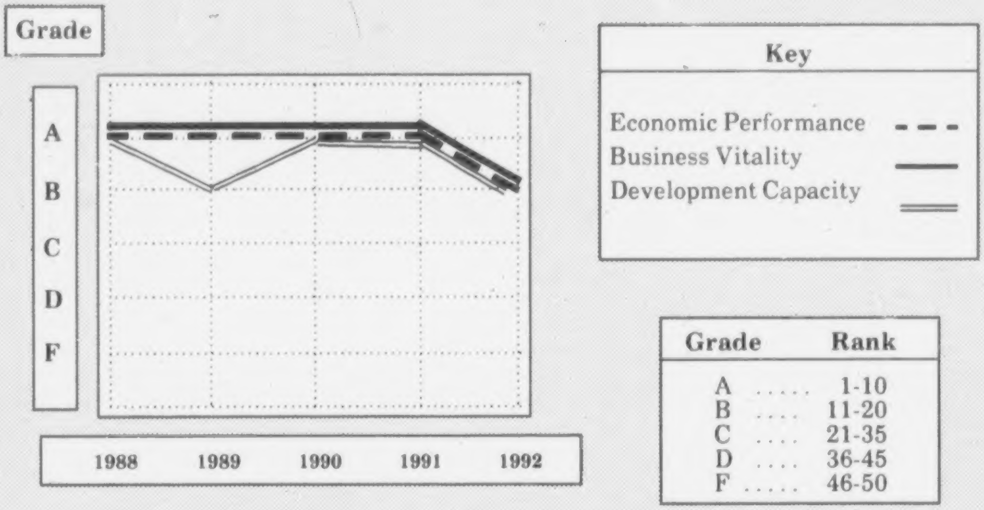


ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (5)
	Short-Term Employment Growth (36)
	Unemployment Rate (37)
	Unemployment Duration (39)
Earnings and Job Quality	Average Annual Pay (19)
	Average Annual Pay Growth (16)
	Health Coverage (16)
Equity	Poverty Rate (2)
	Income Distribution (1)
	Income Distribution Change (38)
	Rural/Urban Disparity (9)
Environmental, Social & Health Conditions	Air Quality (24)
	Superfund Dumpsites (49)
	Hazardous Waste Generation (22)
	Surface Water Discharge (40)
	Infant Mortality (9)
	Crime Rate (6)
	Teen Pregnancy (3)
	Heart Disease (17)
	Cancer Cases (21)
	Infectious Diseases (11)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (15)
	Change in Traded Sector Strength (43)
	Business Closings (44)
	Manufacturing Capital Investment (31)
Entrepreneurial Energy	New Companies (16)
	Change in New Companies (25)
	New Small Business Job Growth (18)
	Minority & Women Bus. Ownership (5)
Structural Diversity	Sectoral Diversity (38)
	Dynamic Diversity (27)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (29)
	Adult Illiteracy (9)
	High School Education Attainment (14)
	College Education Attainment (6)
Technology Resources	PhD Scientists/Engineers in Workforce (42)
	Science/Engineering Grad. Students (42)
	Patents Issued (6)
	University R & D (23)
	Federal R & D (26)
	SBIR Grants (9)
Financial Resources	Commercial Bank Deposits (42)
	Loans to Deposits (12)
	Loans to Equity (11)
	Commercial & Industrial Loans (50)
	Comm. & Ind. Loans to Total Loans (49)
	Venture Capital Investments (8)
	SBIC Financing (26)
Infrastructure & Amenity Resources	Highway Deficiency (47)
	Bridge Deficiency (33)
	Urban Mass Transit Availability (49)
	Energy Cost (46)
	Sewage Needs (48)
	Urban Housing Costs (46)
	Health Professional Shortage Areas (8)
	Tourism Spending (38)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (50)
	Fiscal Stability/Balanced Revenue (50)
	Tax Fairness (39)
	Fiscal Equalization (50)

NEW JERSEY 1992 REPORT CARD

Economic Performance	**B**
Employment	D
Earnings & Job Quality	A
Equity	B
Business Vitality	**B**
Business Competitiveness	B
Entreprenurial Energy	C
Structural Diversity	B
Development Capacity	**B**
Human Resources	C
Technology Resources	B
Financial Resources	B
Infra. & Amenity Resources	C

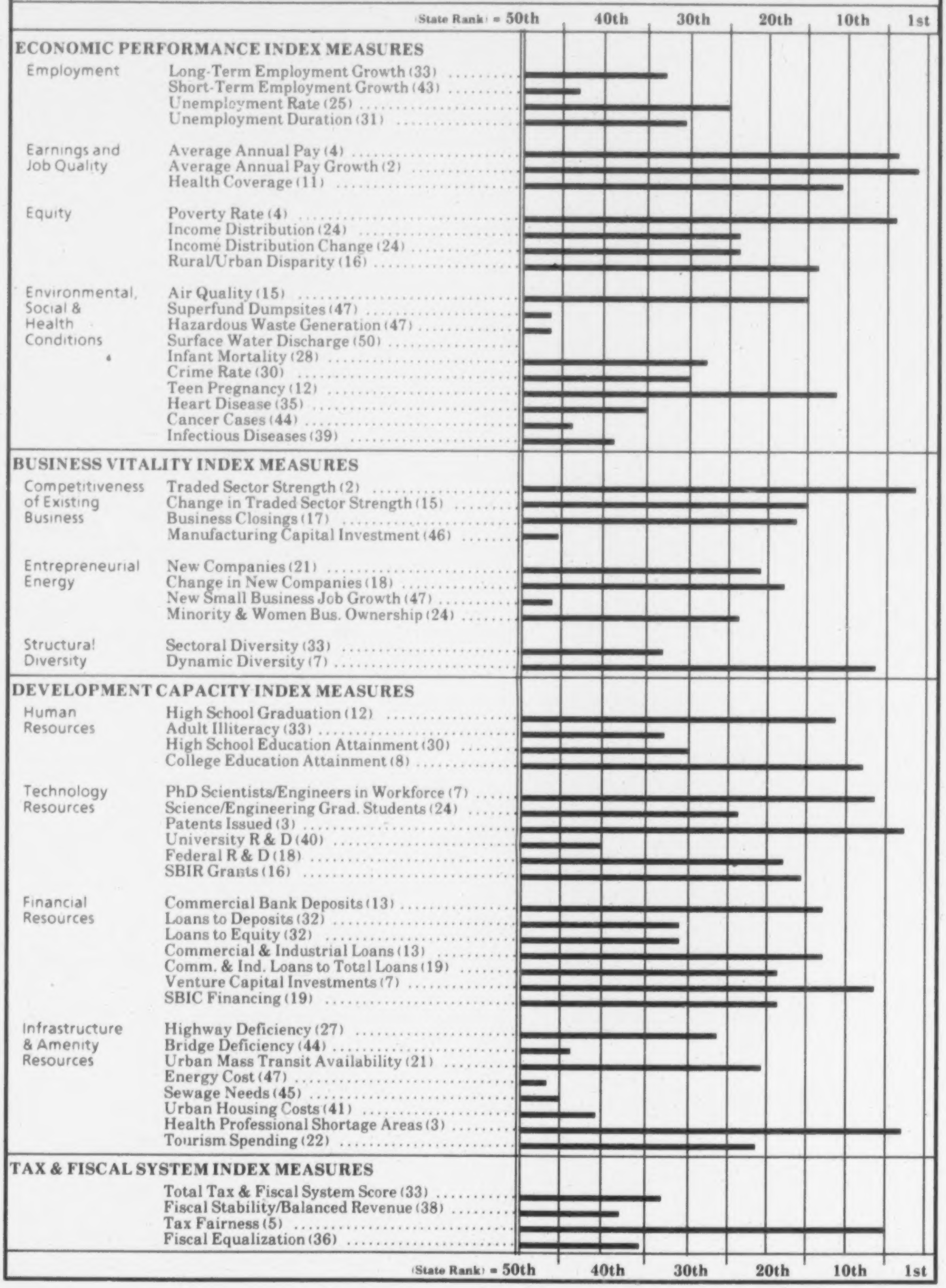
NEW JERSEY REPORT CARD TRENDS



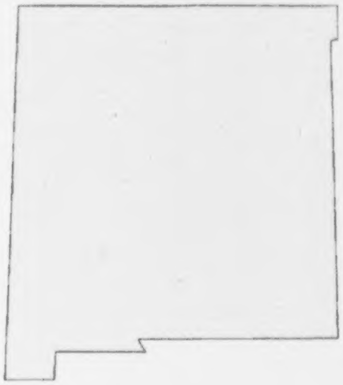
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE NEW JERSEY RANKS – MEASURE BY MEASURE



NEW MEXICO 1992 REPORT CARD

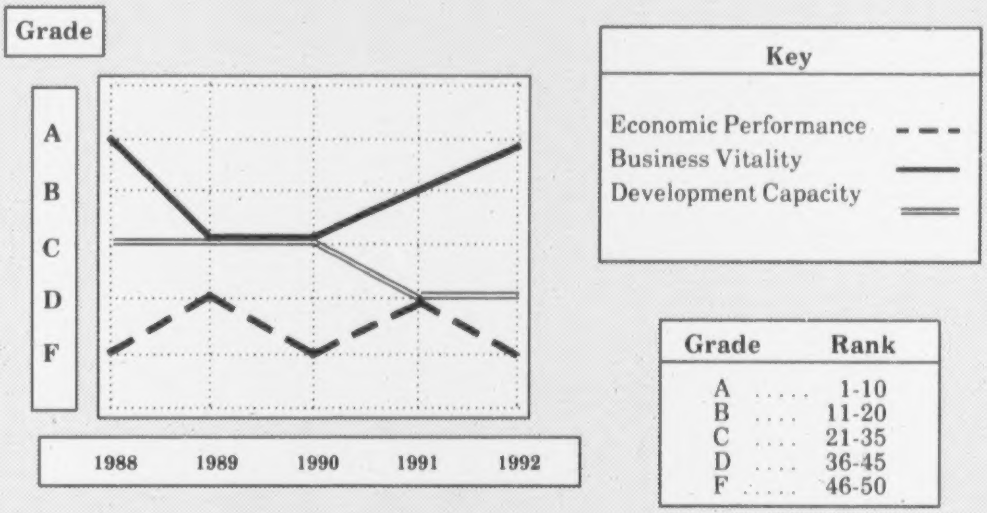


Economic Performance	**F**
Employment	C
Earnings & Job Quality	F
Equity	F

Business Vitality	**A**
Business Competitiveness	C
Entreprenurial Energy	A
Structural Diversity	A

Development Capacity	**D**
Human Resources	D
Technology Resources	A
Financial Resources	F
Infra. & Amenity Resources	D

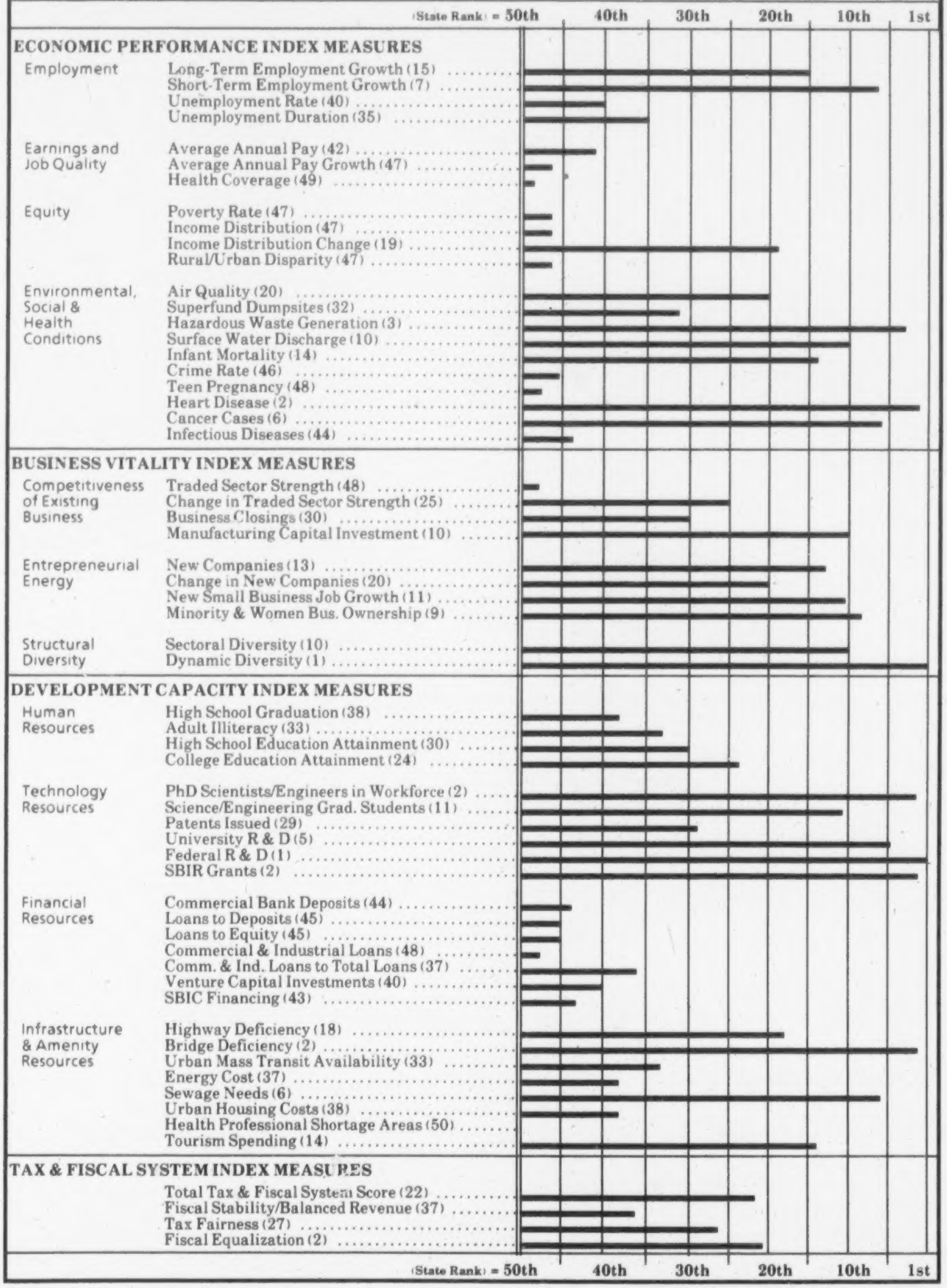
NEW MEXICO REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

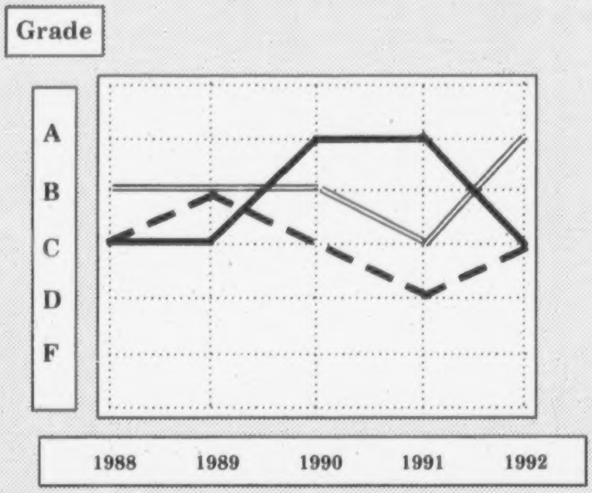
WHERE NEW MEXICO RANKS – MEASURE BY MEASURE



NEW YORK 1992 REPORT CARD

Economic Performance	**C**
Employment	F
Earnings & Job Quality	A
Equity	D
Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	B
Development Capacity	**A**
Human Resources	D
Technology Resources	A
Financial Resources	A
Infra. & Amenity Resources	A

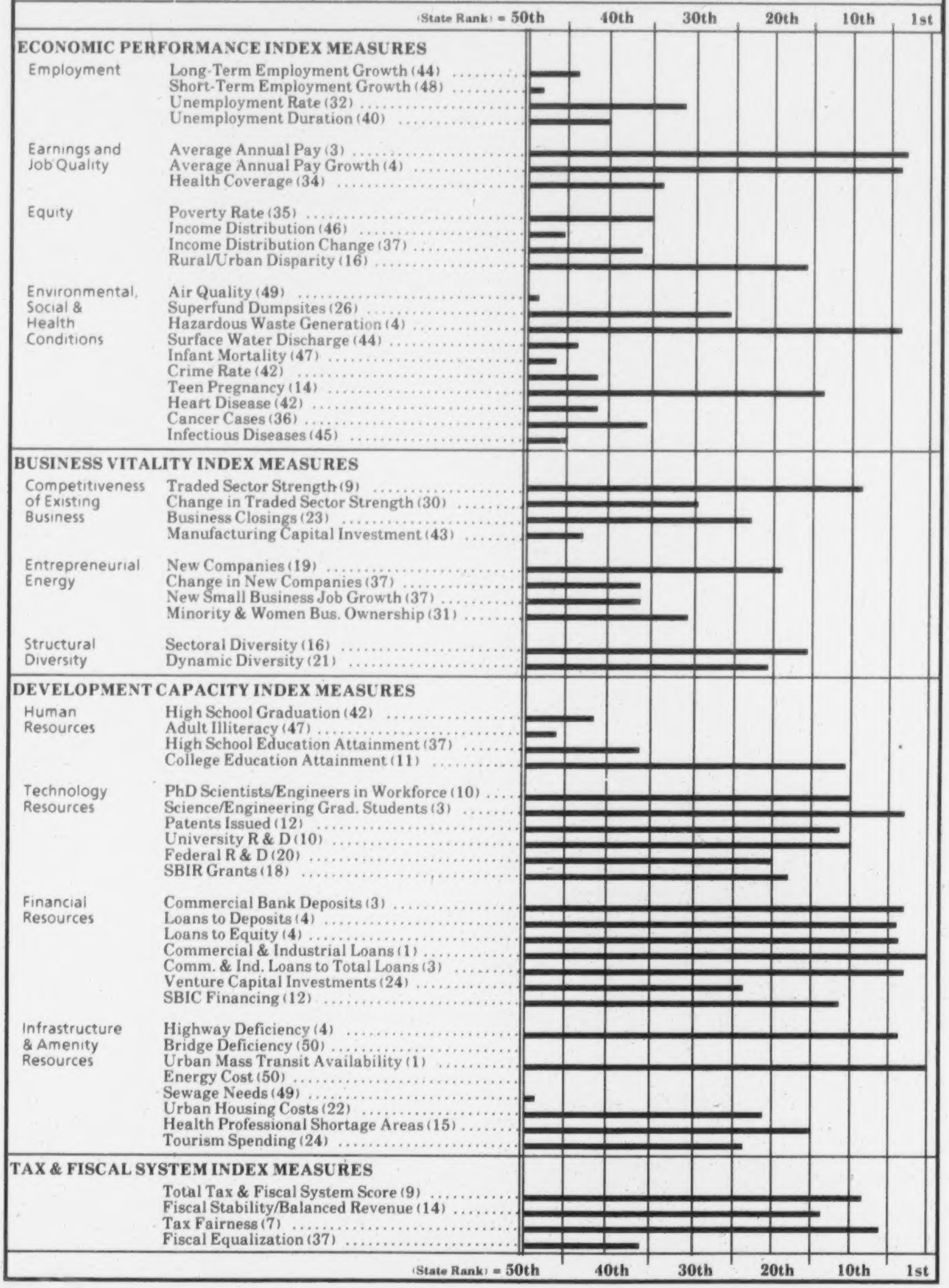
NEW YORK REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE NEW YORK RANKS – MEASURE BY MEASURE

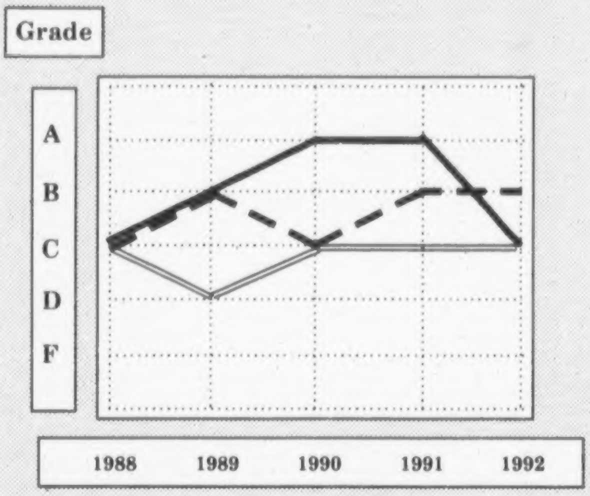


The Corporation for Enterprise Development

NORTH CAROLINA 1992 REPORT CARD

Economic Performance	**B**
Employment	A
Earnings & Job Quality	C
Equity	C
Business Vitality	**C**
Business Competitiveness	D
Entreprenurial Energy	D
Structural Diversity	B
Development Capacity	**C**
Human Resources	D
Technology Resources	C
Financial Resources	A
Infra. & Amenity Resources	C

NORTH CAROLINA REPORT CARD TRENDS

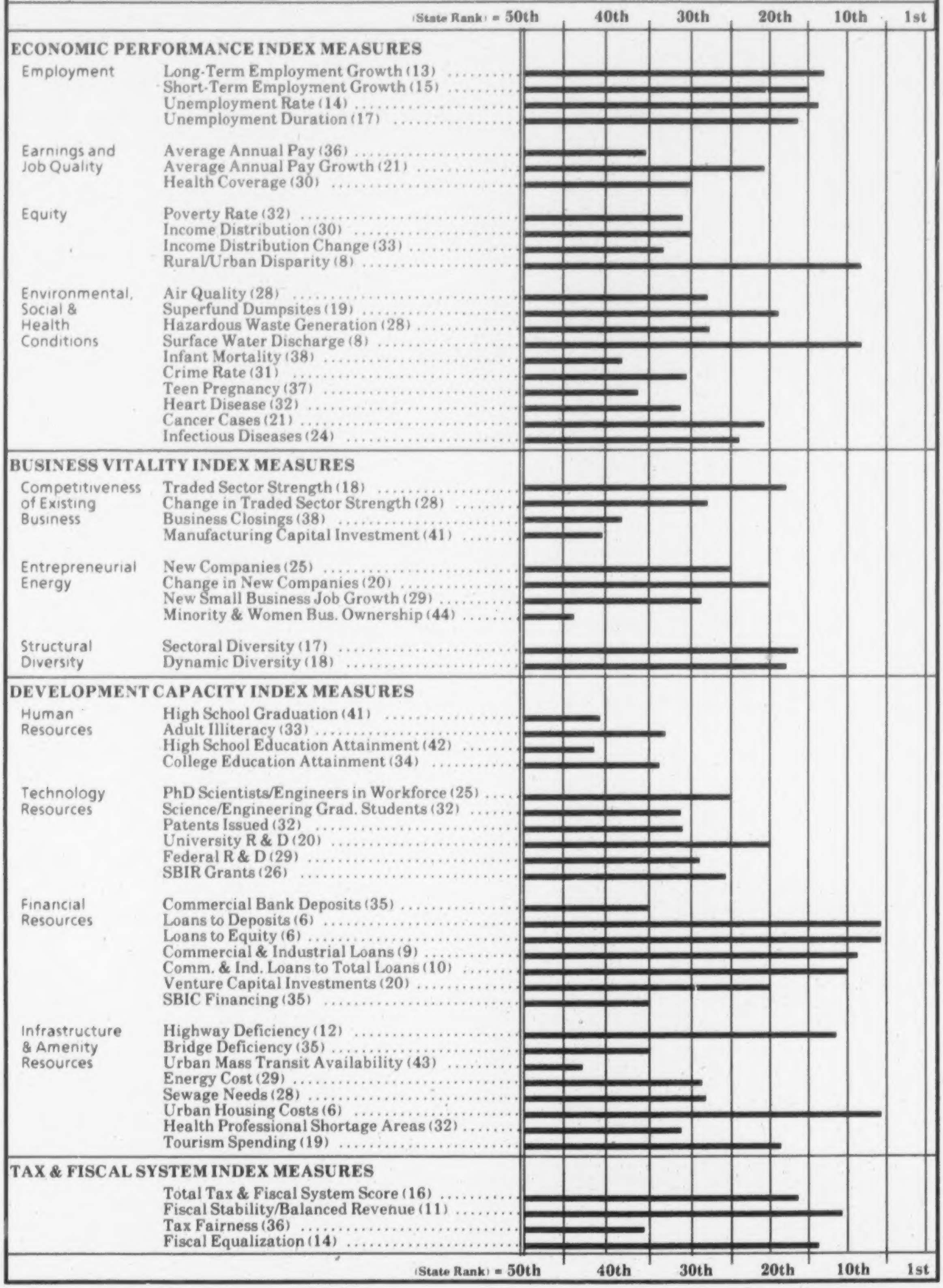


Key	
Economic Performance	– – –
Business Vitality	───
Development Capacity	═══

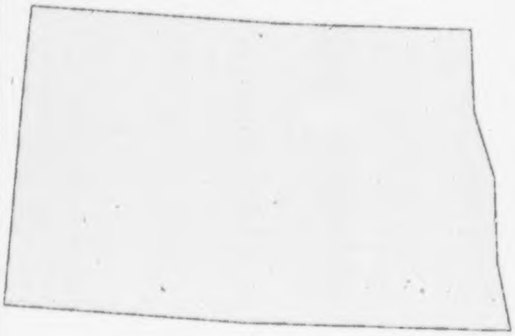
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE NORTH CAROLINA RANKS - MEASURE BY MEASURE

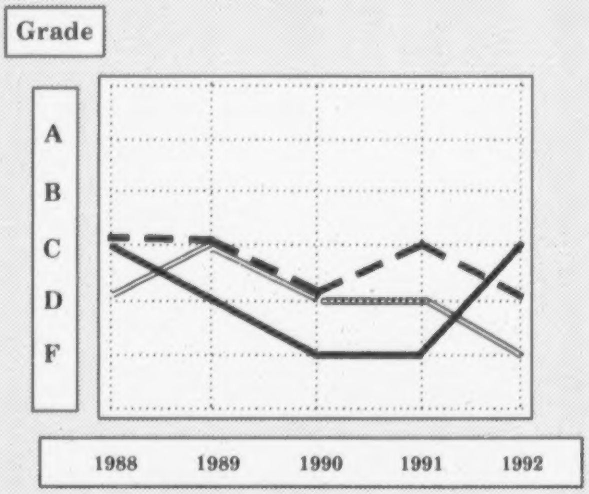


NORTH DAKOTA 1992 REPORT CARD



Economic Performance	**D**
Employment	C
Earnings & Job Quality	C
Equity	C
Business Vitality	**C**
Business Competitiveness	A
Entreprenurial Energy	C
Structural Diversity	D
Development Capacity	**F**
Human Resources	B
Technology Resources	D
Financial Resources	D
Infra. & Amenity Resources	D

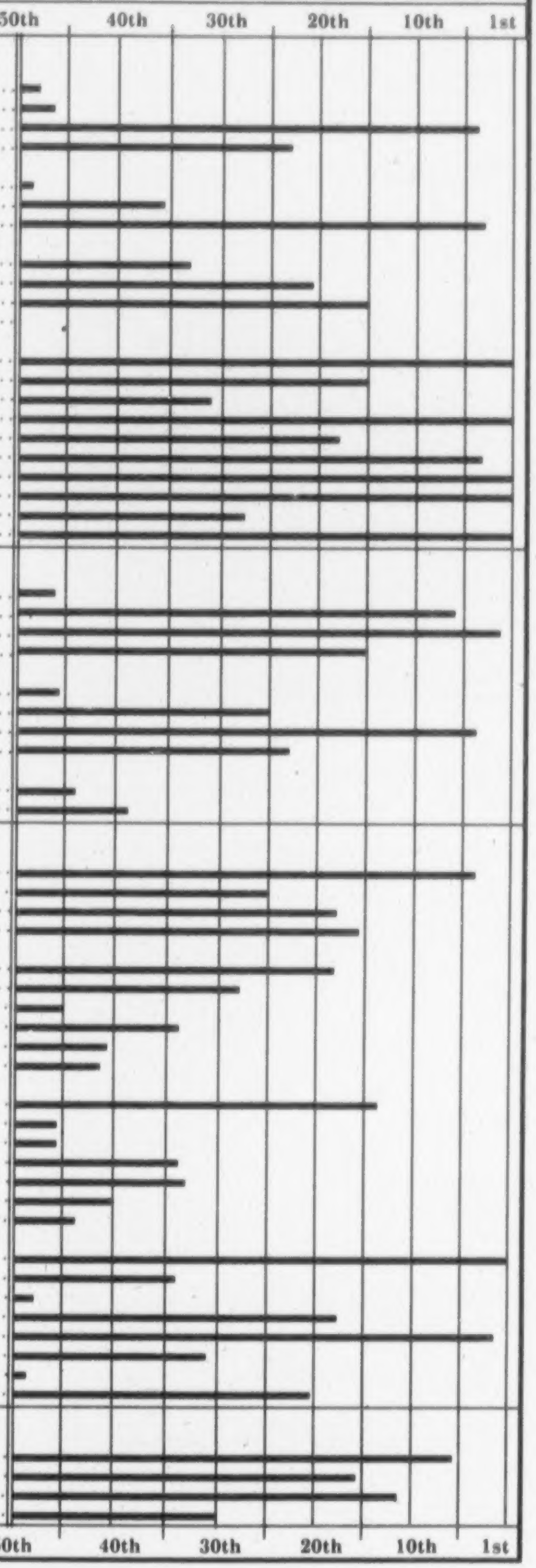
NORTH DAKOTA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE NORTH DAKOTA RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES

Employment	Long-Term Employment Growth (48)
	Short-Term Employment Growth (47)
	Unemployment Rate (4)
	Unemployment Duration (23)
Earnings and Job Quality	Average Annual Pay (49)
	Average Annual Pay Growth (36)
	Health Coverage (3)
Equity	Poverty Rate (33)
	Income Distribution (21)
	Income Distribution Change (15)
	Rural/Urban Disparity (50)
Environmental, Social & Health Conditions	Air Quality (1)
	Superfund Dumpsites (15)
	Hazardous Waste Generation (32)
	Surface Water Discharge (1)
	Infant Mortality (18)
	Crime Rate (3)
	Teen Pregnancy (1)
	Heart Disease (1)
	Cancer Cases (27)
	Infectious Diseases (1)

BUSINESS VITALITY INDEX MEASURES

Competitiveness of Existing Business	Traded Sector Strength (47)
	Change in Traded Sector Strength (6)
	Business Closings (2)
	Manufacturing Capital Investment (15)
Entrepreneurial Energy	New Companies (46)
	Change in New Companies (25)
	New Small Business Job Growth (4)
	Minority & Women Bus. Ownership (23)
Structural Diversity	Sectoral Diversity (44)
	Dynamic Diversity (39)

DEVELOPMENT CAPACITY INDEX MEASURES

Human Resources	High School Graduation (4)
	Adult Illiteracy (25)
	High School Education Attainment (18)
	College Education Attainment (16)
Technology Resources	PhD Scientists/Engineers in Workforce (18)
	Science/Engineering Grad. Students (28)
	Patents Issued (45)
	University R & D (34)
	Federal R & D (41)
	SBIR Grants (42)
Financial Resources	Commercial Bank Deposits (14)
	Loans to Deposits (46)
	Loans to Equity (46)
	Commercial & Industrial Loans (34)
	Comm. & Ind. Loans to Total Loans (33)
	Venture Capital Investments (40)
	SBIC Financing (44)
Infrastructure & Amenity Resources	Highway Deficiency (1)
	Bridge Deficiency (34)
	Urban Mass Transit Availability (48)
	Energy Cost (18)
	Sewage Needs (2)
	Urban Housing Costs (32)
	Health Professional Shortage Areas (49)
	Tourism Spending (21)

TAX & FISCAL SYSTEM INDEX MEASURES

	Total Tax & Fiscal System Score (6)
	Fiscal Stability/Balanced Revenue (16)
	Tax Fairness (12)
	Fiscal Equalization (30)

The Corporation for Enterprise Development

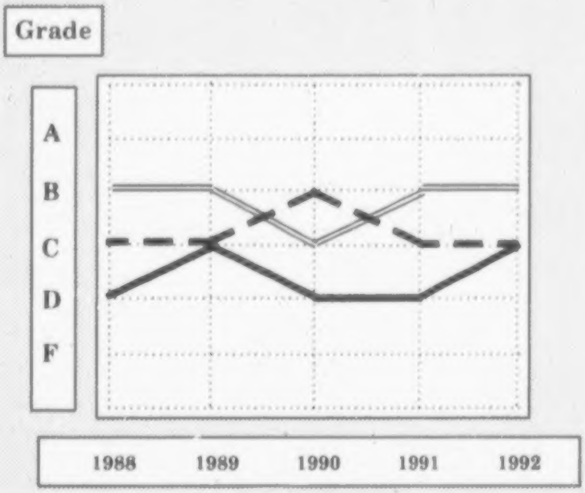
OHIO 1992 REPORT CARD

Economic Performance	**C**
Employment	D
Earnings & Job Quality	B
Equity	C

Business Vitality	**C**
Business Competitiveness	B
Entreprenurial Energy	D
Structural Diversity	C

Development Capacity	**B**
Human Resources	C
Technology Resources	B
Financial Resources	B
Infra. & Amenity Resources	A

OHIO REPORT CARD TRENDS

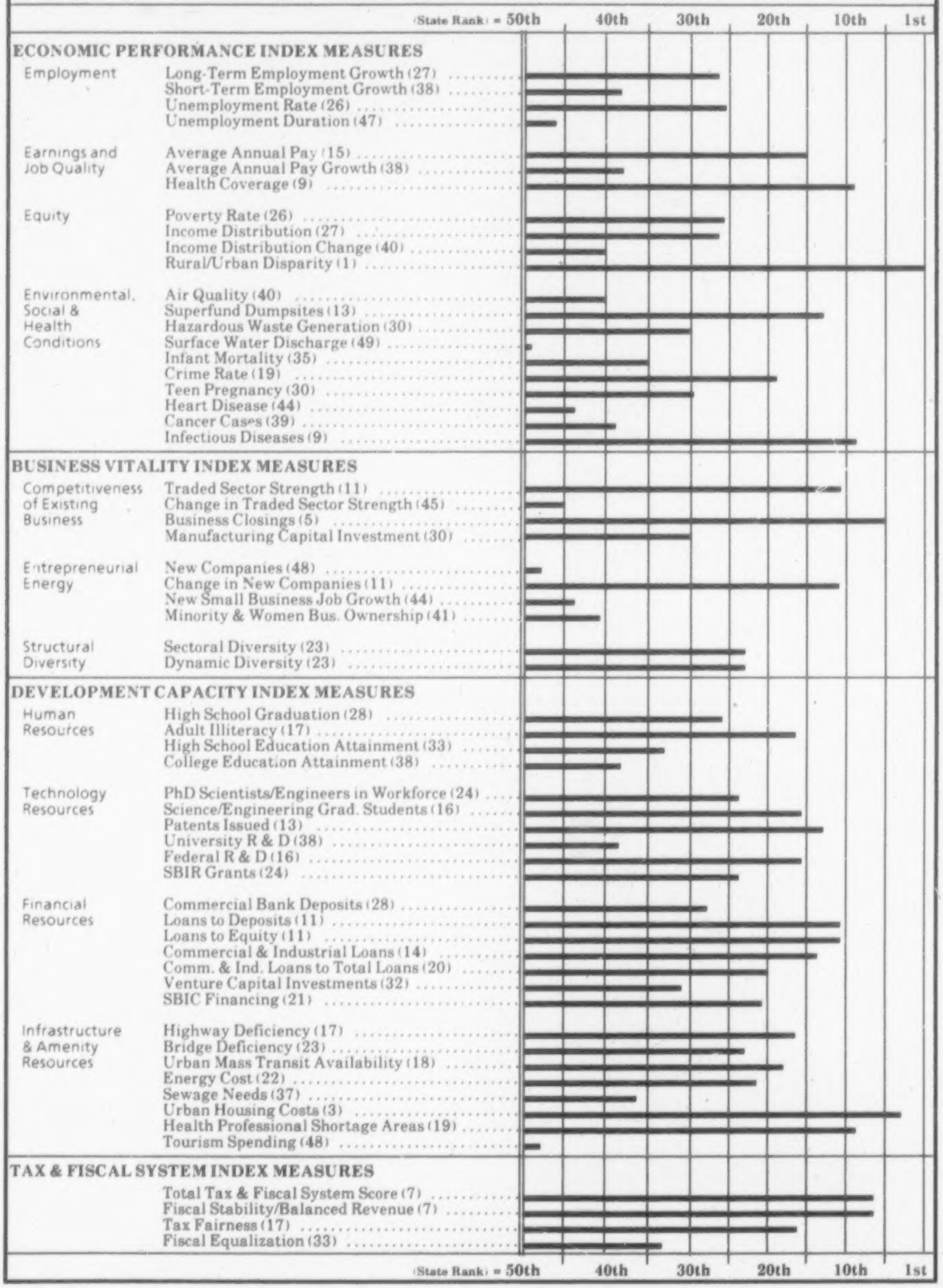


Key	
Economic Performance	- - -
Business Vitality	───
Development Capacity	═══

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE OHIO RANKS – MEASURE BY MEASURE



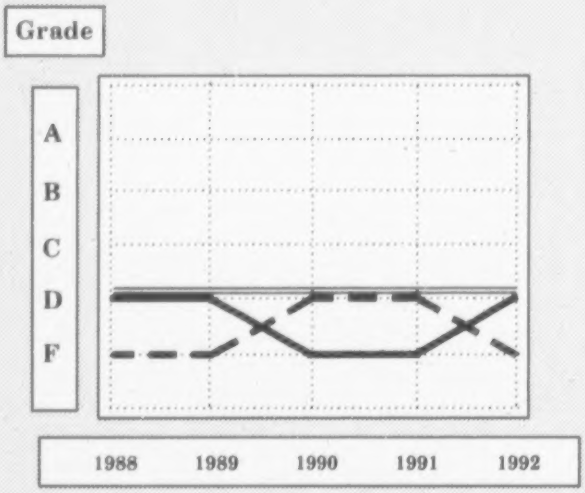
OKLAHOMA 1992 REPORT CARD

Economic Performance	**F**
Employment	D
Earnings & Job Quality	F
Equity	C

Business Vitality	**D**
Business Competitiveness	D
Entreprenurial Energy	C
Structural Diversity	C

Development Capacity	**D**
Human Resources	C
Technology Resources	D
Financial Resources	D
Infra. & Amenity Resources	C

OKLAHOMA REPORT CARD TRENDS



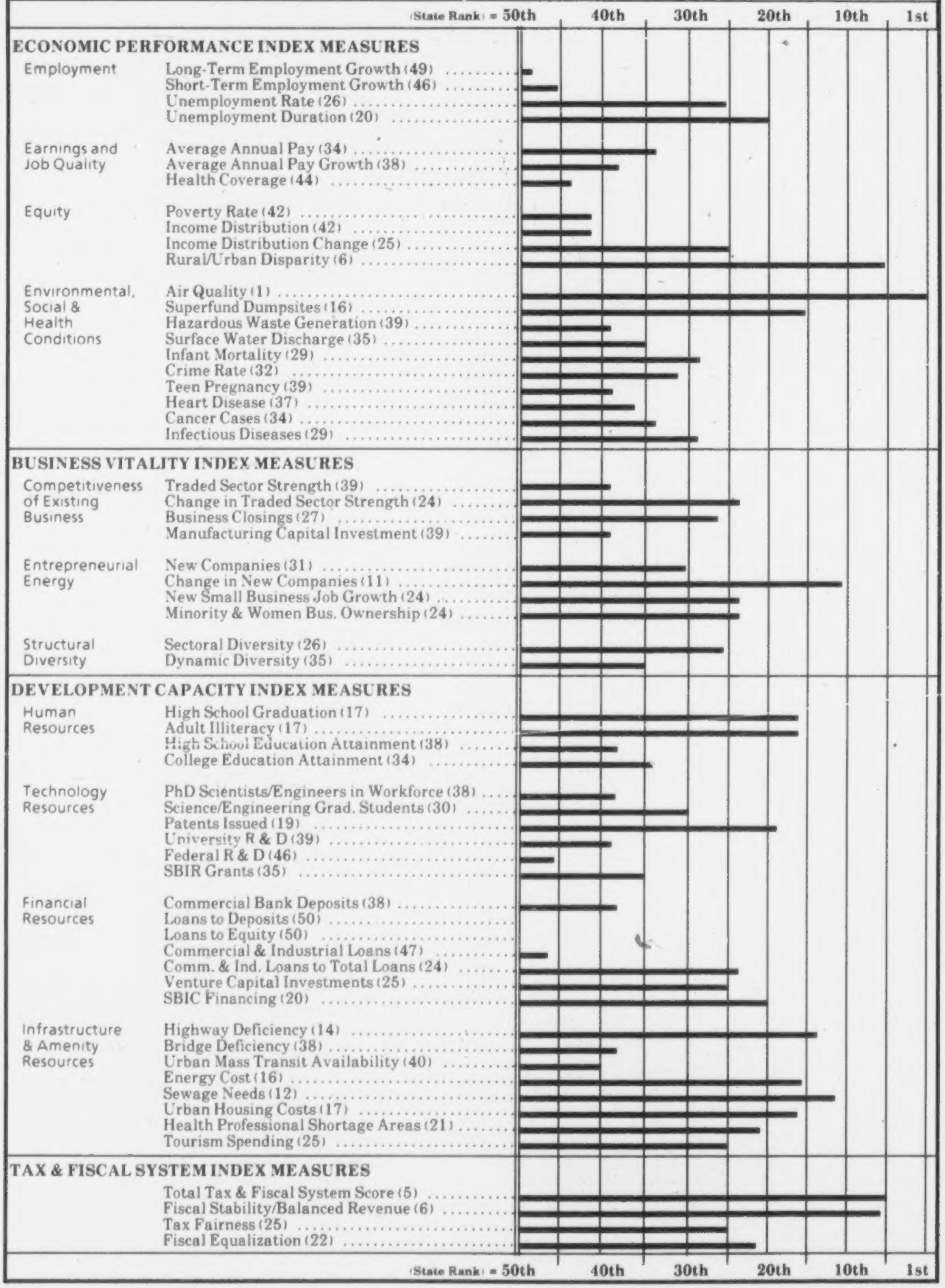
Key

Economic Performance - - -
Business Vitality —
Development Capacity ═

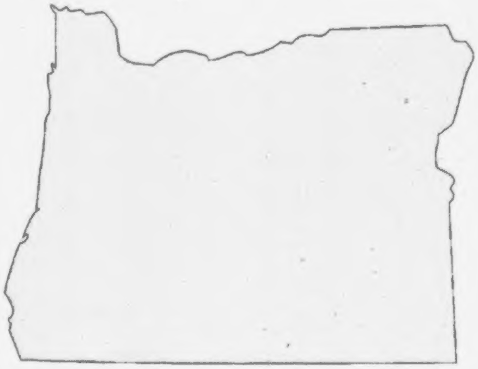
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE OKLAHOMA RANKS – MEASURE BY MEASURE



OREGON 1992 REPORT CARD

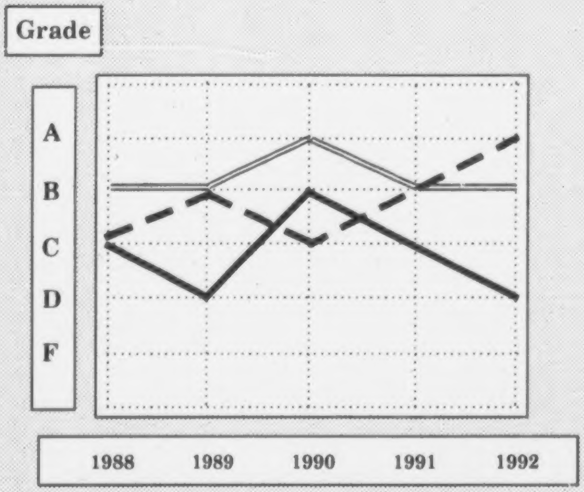


Economic Performance	**A**
Employment	B
Earnings & Job Quality	B
Equity	B

Business Vitality	**D**
Business Competitiveness	D
Entreprenurial Energy	B
Structural Diversity	D

Development Capacity	**B**
Human Resources	B
Technology Resources	C
Financial Resources	B
Infra. & Amenity Resources	B

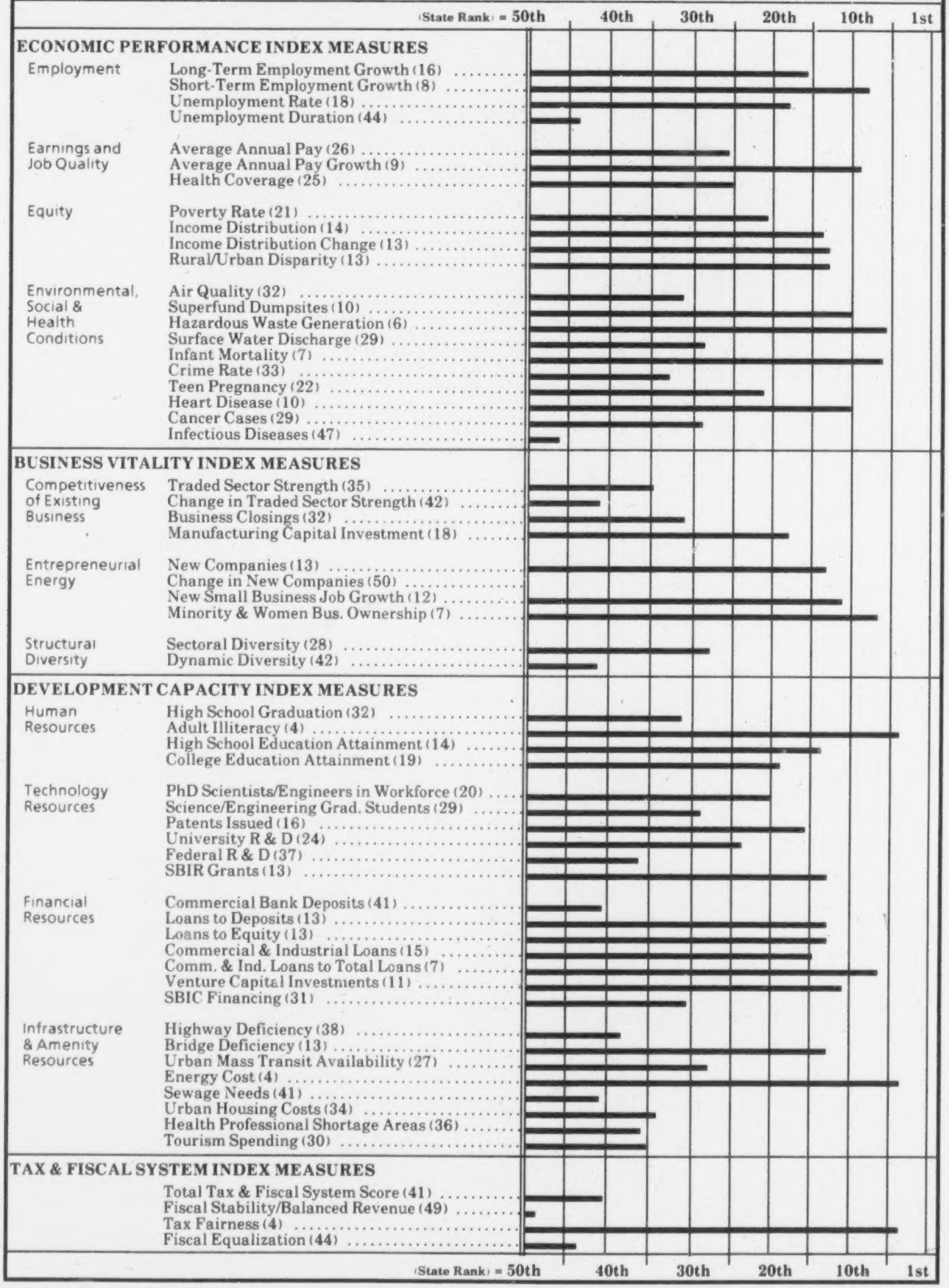
OREGON REPORT CARD TRENDS



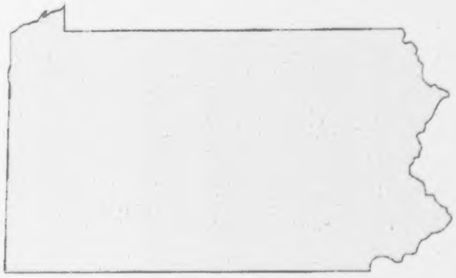
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE OREGON RANKS - MEASURE BY MEASURE

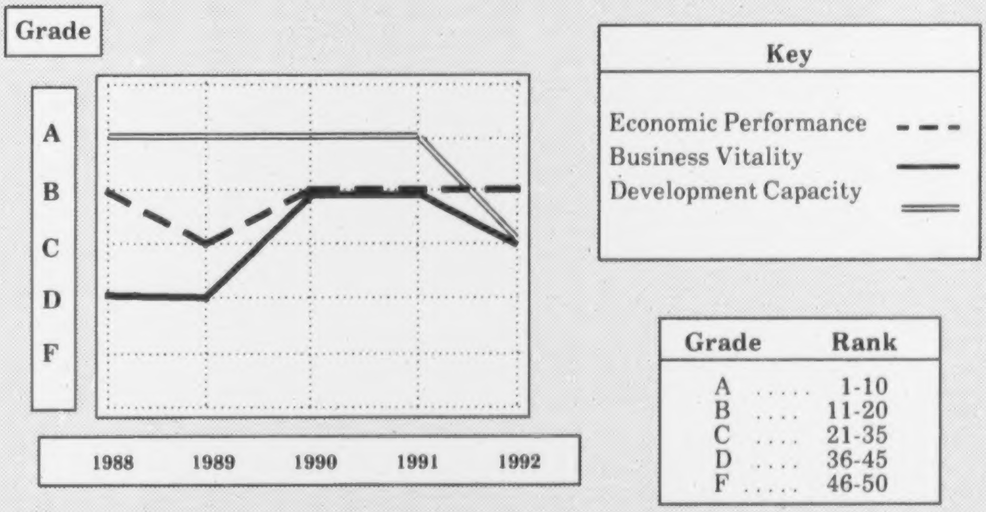


PENNSYLVANIA 1992 REPORT CARD



Economic Performance	**B**
Employment	D
Earnings & Job Quality	A
Equity	B
Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	F
Structural Diversity	A
Development Capacity	**C**
Human Resources	C
Technology Resources	B
Financial Resources	A
Infra. & Amenity Resources	D

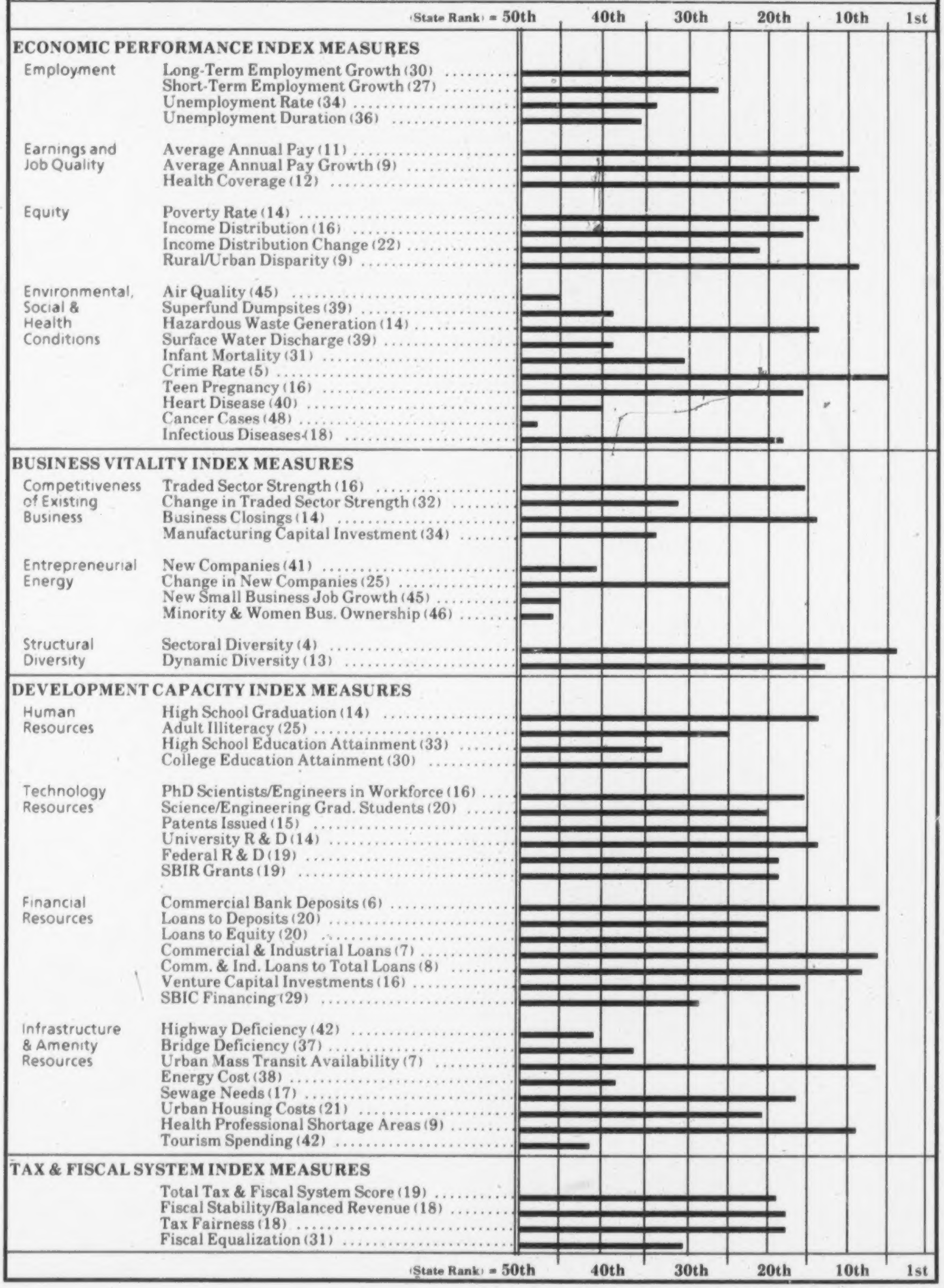
PENNSYLVANIA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

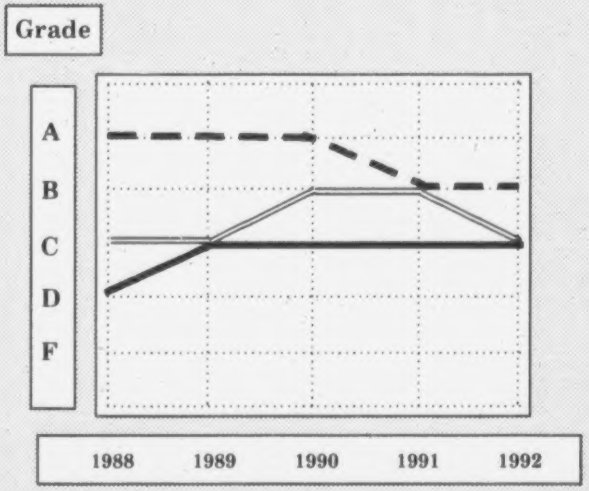
WHERE PENNSYLVANIA RANKS – MEASURE BY MEASURE



RHODE ISLAND 1992 REPORT CARD

Economic Performance	**B**
Employment	D
Earnings & Job Quality	A
Equity	B
Business Vitality	**C**
Business Competitiveness	F
Entreprenurial Energy	B
Structural Diversity	C
Development Capacity	**C**
Human Resources	D
Technology Resources	A
Financial Resources	A
Infra. & Amenity Resources	F

RHODE ISLAND REPORT CARD TRENDS



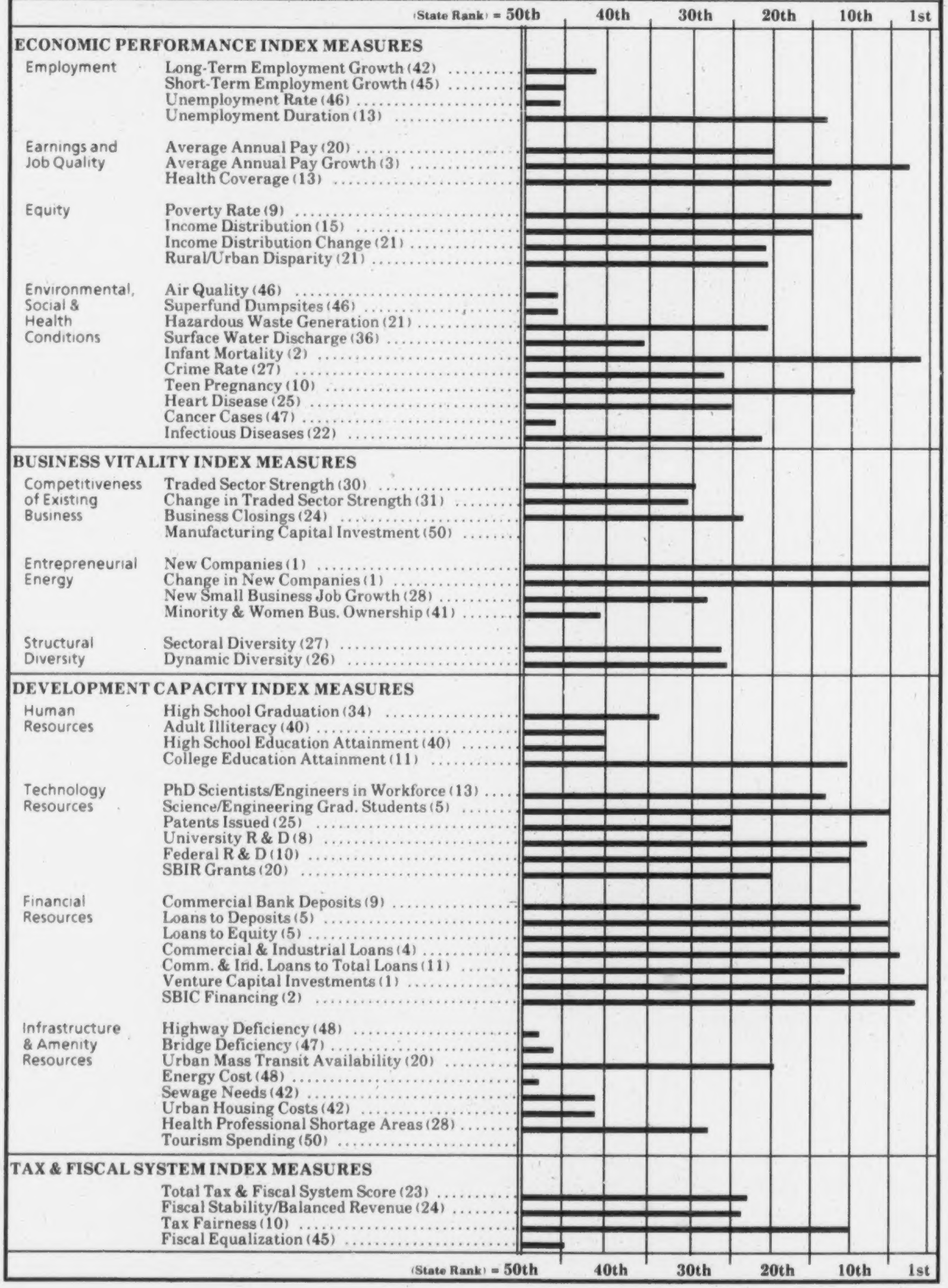
Key

Economic Performance - - -
Business Vitality ―
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE RHODE ISLAND RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (42) Short-Term Employment Growth (45) Unemployment Rate (46) Unemployment Duration (13)
Earnings and Job Quality	Average Annual Pay (20) Average Annual Pay Growth (3) Health Coverage (13)
Equity	Poverty Rate (9) Income Distribution (15) Income Distribution Change (21) Rural/Urban Disparity (21)
Environmental, Social & Health Conditions	Air Quality (46) Superfund Dumpsites (46) Hazardous Waste Generation (21) Surface Water Discharge (36) Infant Mortality (2) Crime Rate (27) Teen Pregnancy (10) Heart Disease (25) Cancer Cases (47) Infectious Diseases (22)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (30) Change in Traded Sector Strength (31) Business Closings (24) Manufacturing Capital Investment (50)
Entrepreneurial Energy	New Companies (1) Change in New Companies (1) New Small Business Job Growth (28) Minority & Women Bus. Ownership (41)
Structural Diversity	Sectoral Diversity (27) Dynamic Diversity (26)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (34) Adult Illiteracy (40) High School Education Attainment (40) College Education Attainment (11)
Technology Resources	PhD Scientists/Engineers in Workforce (13) Science/Engineering Grad. Students (5) Patents Issued (25) University R & D (8) Federal R & D (10) SBIR Grants (20)
Financial Resources	Commercial Bank Deposits (9) Loans to Deposits (5) Loans to Equity (5) Commercial & Industrial Loans (4) Comm. & Ind. Loans to Total Loans (11) Venture Capital Investments (1) SBIC Financing (2)
Infrastructure & Amenity Resources	Highway Deficiency (48) Bridge Deficiency (47) Urban Mass Transit Availability (20) Energy Cost (48) Sewage Needs (42) Urban Housing Costs (42) Health Professional Shortage Areas (28) Tourism Spending (50)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (23) Fiscal Stability/Balanced Revenue (24) Tax Fairness (10) Fiscal Equalization (45)

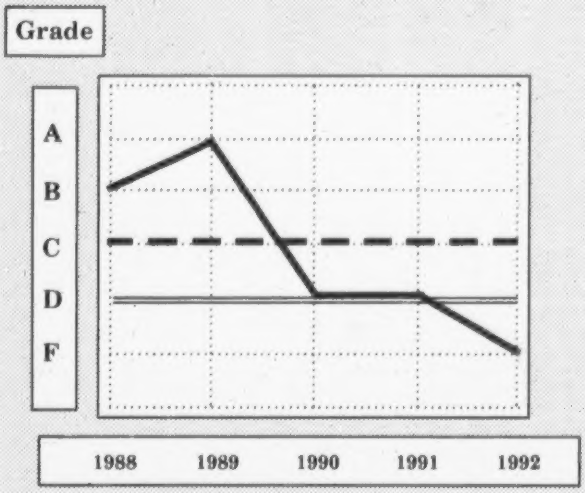
SOUTH CAROLINA 1992 REPORT CARD

Economic Performance	**C**
Employment	B
Earnings & Job Quality	D
Equity	D

Business Vitality	**F**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	D

Development Capacity	**D**
Human Resources	F
Technology Resources	F
Financial Resources	C
Infra. & Amenity Resources	B

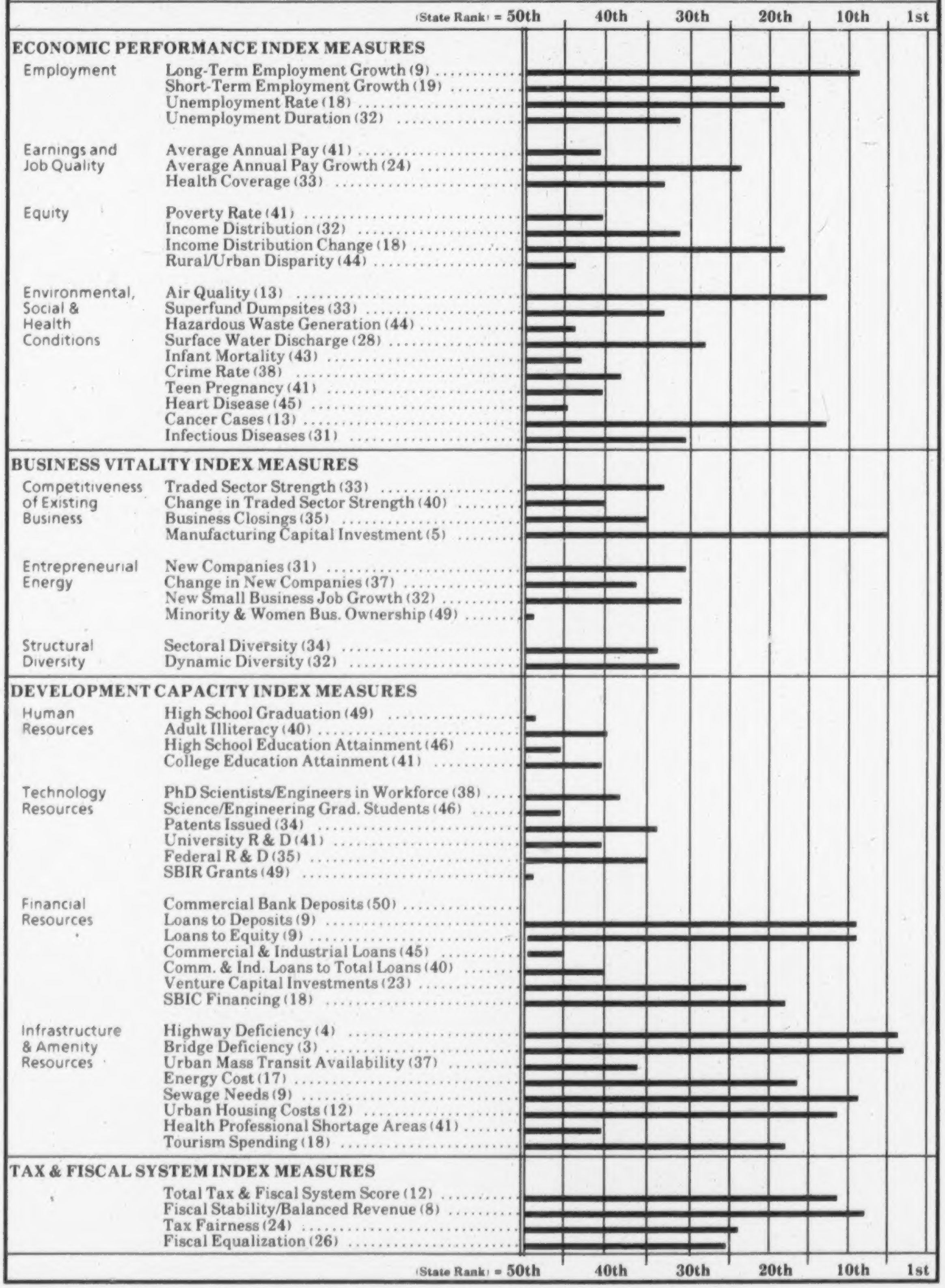
SOUTH CAROLINA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE SOUTH CAROLINA RANKS – MEASURE BY MEASURE



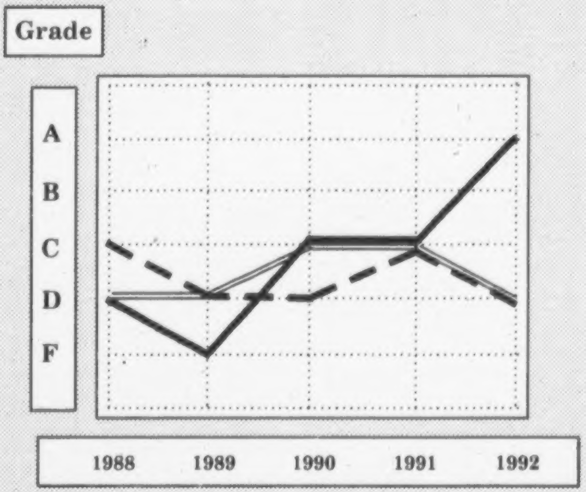
SOUTH DAKOTA 1992 REPORT CARD

Economic Performance	**D**
Employment	C
Earnings & Job Quality	F
Equity	C

Business Vitality	**A**
Business Competitiveness	B
Entreprenurial Energy	B
Structural Diversity	C

Development Capacity	**D**
Human Resources	C
Technology Resources	F
Financial Resources	A
Infra. & Amenity Resources	F

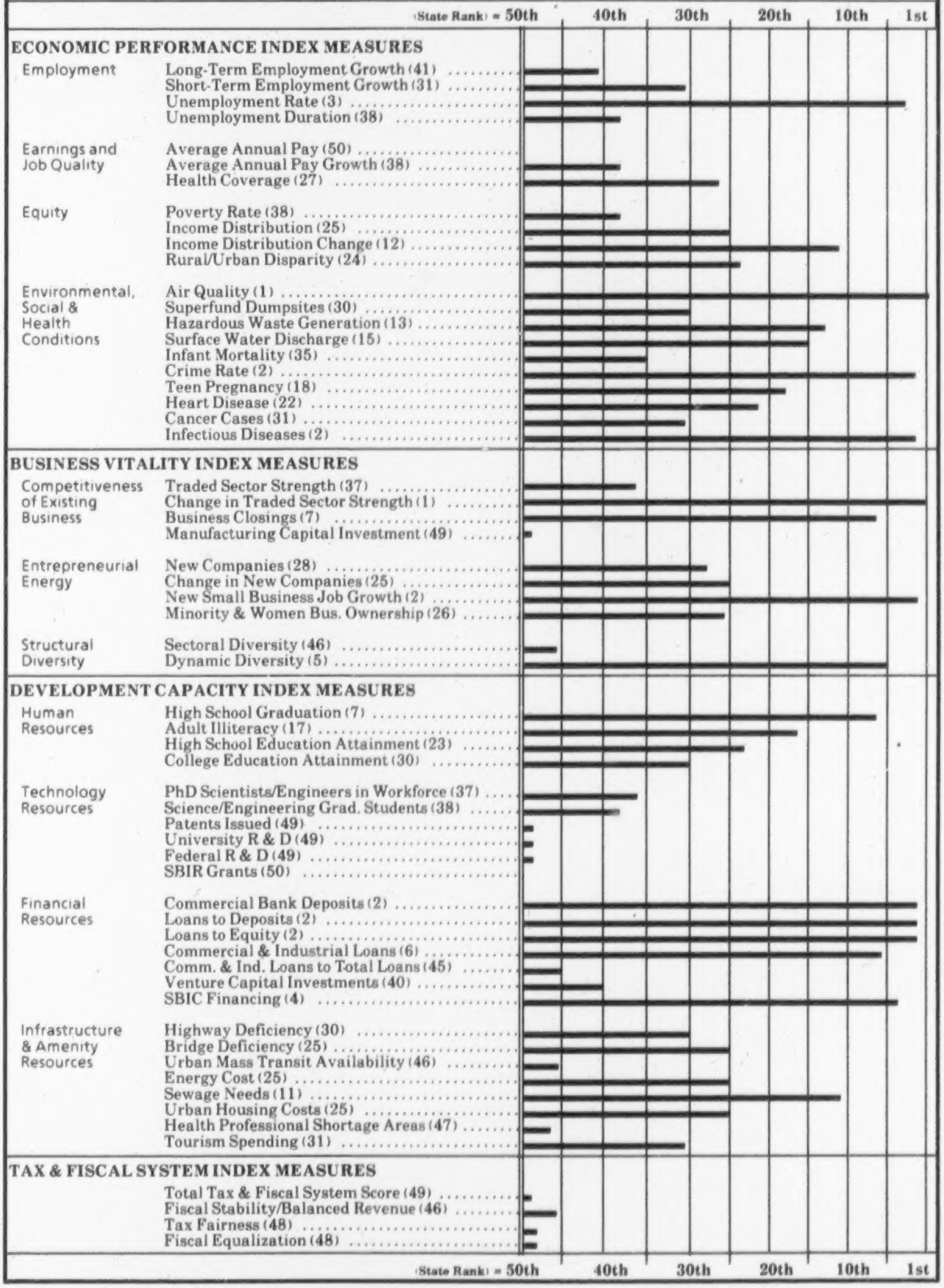
SOUTH DAKOTA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE SOUTH DAKOTA RANKS - MEASURE BY MEASURE



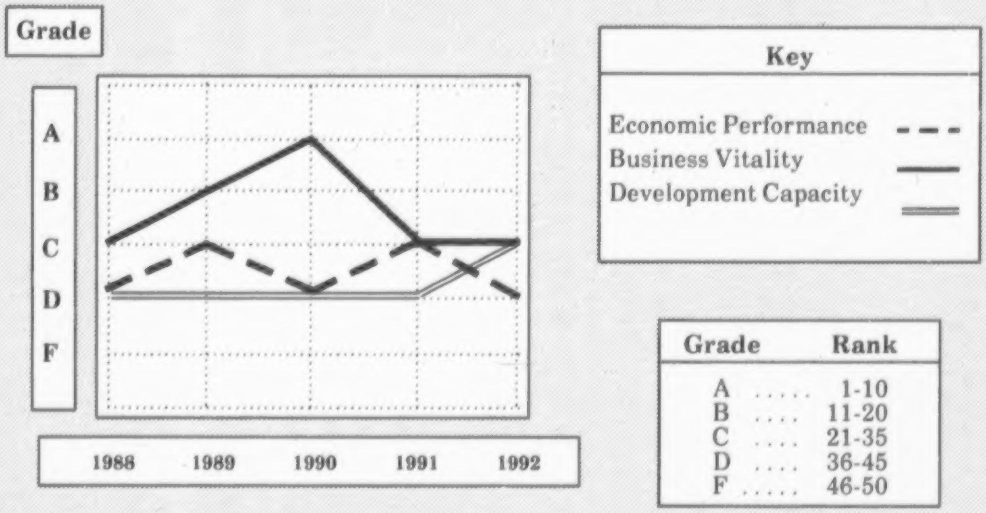
TENNESSEE 1992 REPORT CARD

Economic Performance	**D**
Employment	B
Earnings & Job Quality	C
Equity	F

Business Vitality	**C**
Business Competitiveness	C
Entreprenurial Energy	D
Structural Diversity	A

Development Capacity	**C**
Human Resources	F
Technology Resources	C
Financial Resources	C
Infra. & Amenity Resources	B

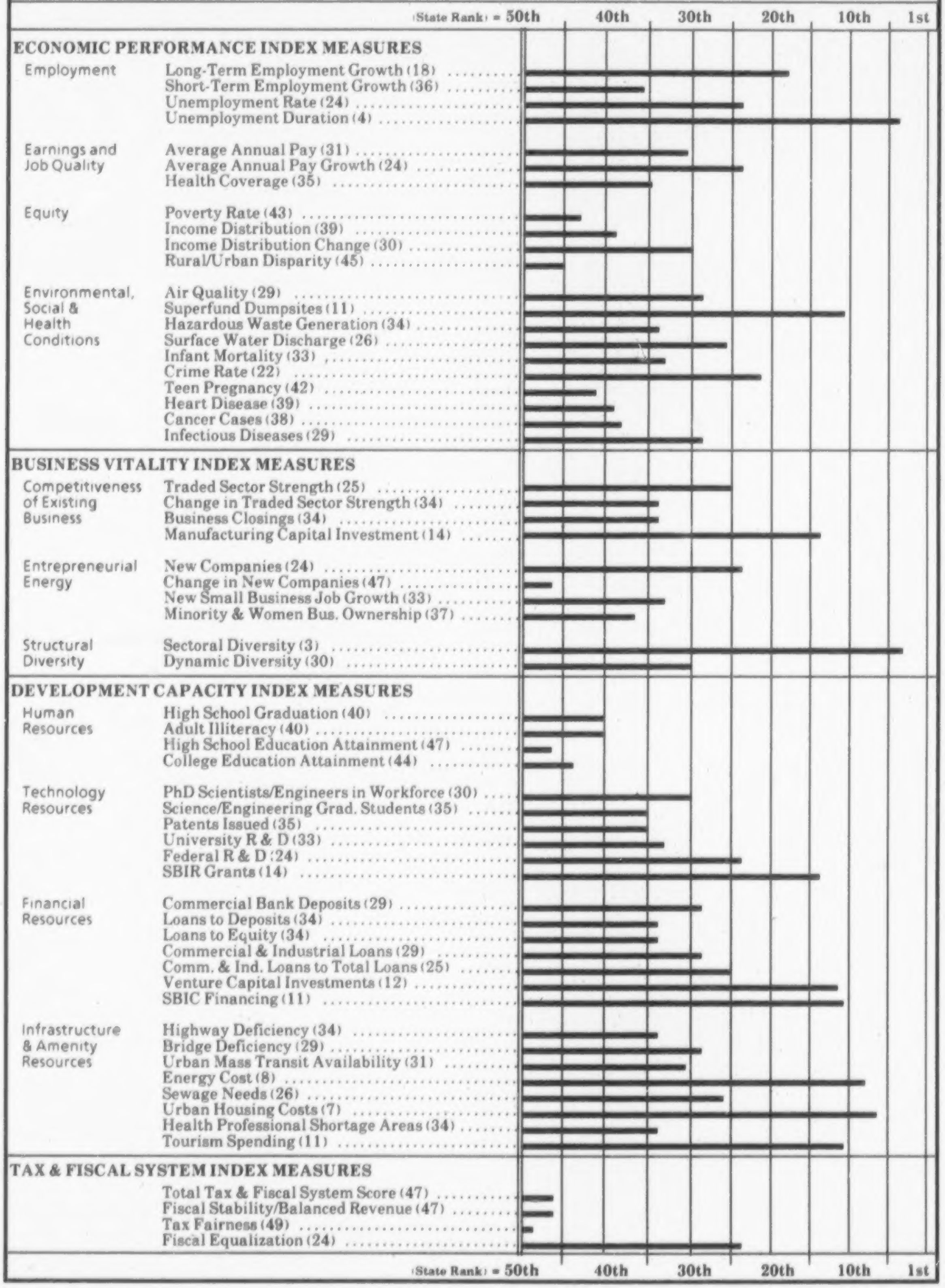
TENNESSEE REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE TENNESSE RANKS – MEASURE BY MEASURE



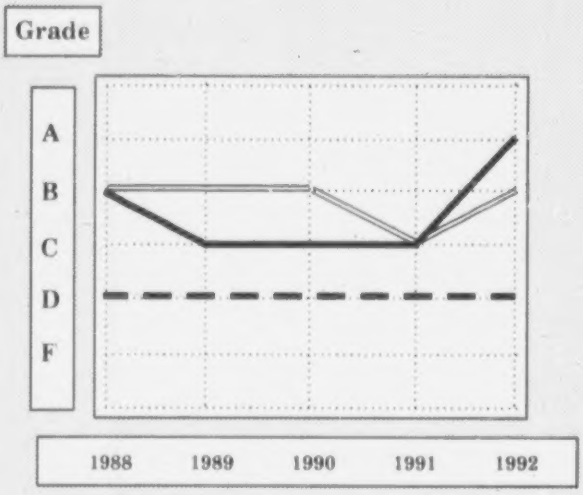
TEXAS 1992 REPORT CARD

Economic Performance	**D**
Employment	C
Earnings & Job Quality	D
Equity	D

Business Vitality	**A**
Business Competitiveness	B
Entreprenurial Energy	A
Structural Diversity	A

Development Capacity	**B**
Human Resources	D
Technology Resources	B
Financial Resources	C
Infra. & Amenity Resources	A

TEXAS REPORT CARD TRENDS



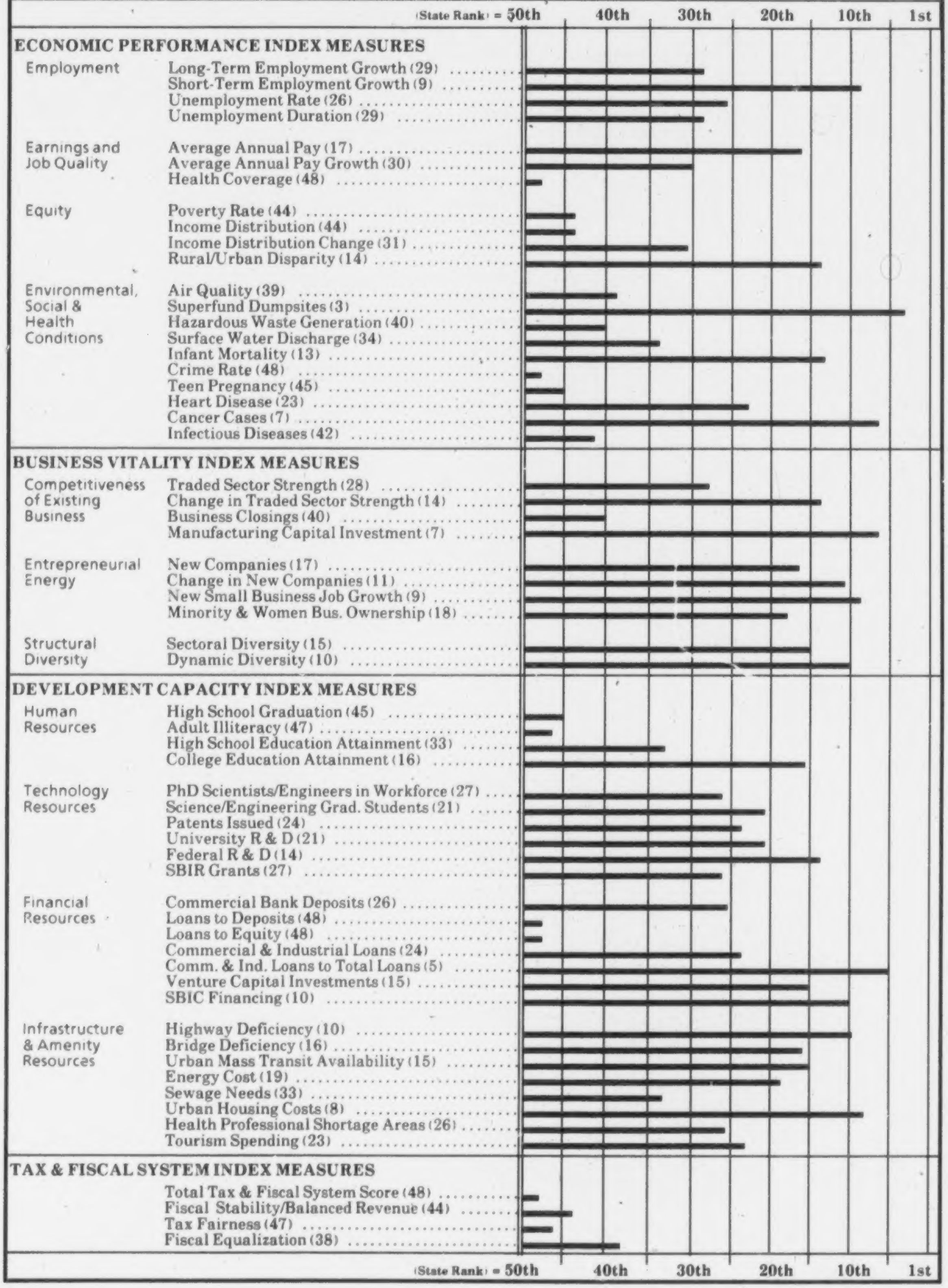
Key

Economic Performance – – –
Business Vitality ——
Development Capacity ═

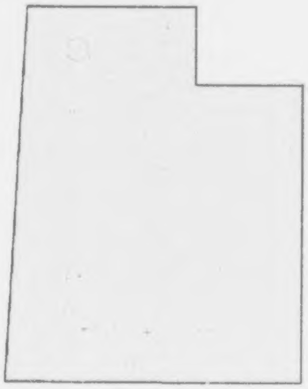
Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE TEXAS RANKS – MEASURE BY MEASURE



UTAH 1992 REPORT CARD

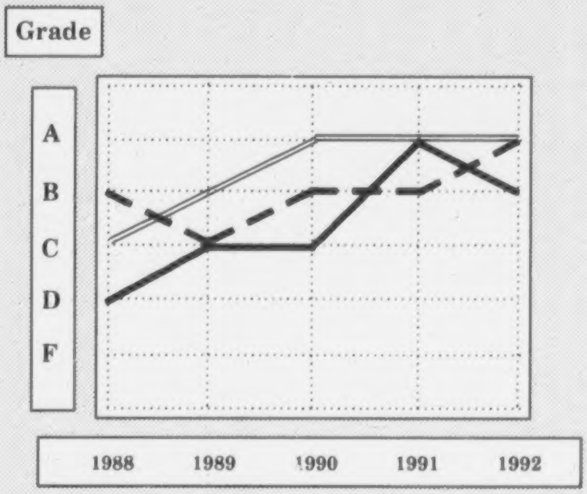


Economic Performance	**A**
Employment	A
Earnings & Job Quality	C
Equity	A

Business Vitality	**B**
Business Competitiveness	F
Entreprenurial Energy	A
Structural Diversity	A

Development Capacity	**A**
Human Resources	A
Technology Resources	A
Financial Resources	C
Infra. & Amenity Resources	A

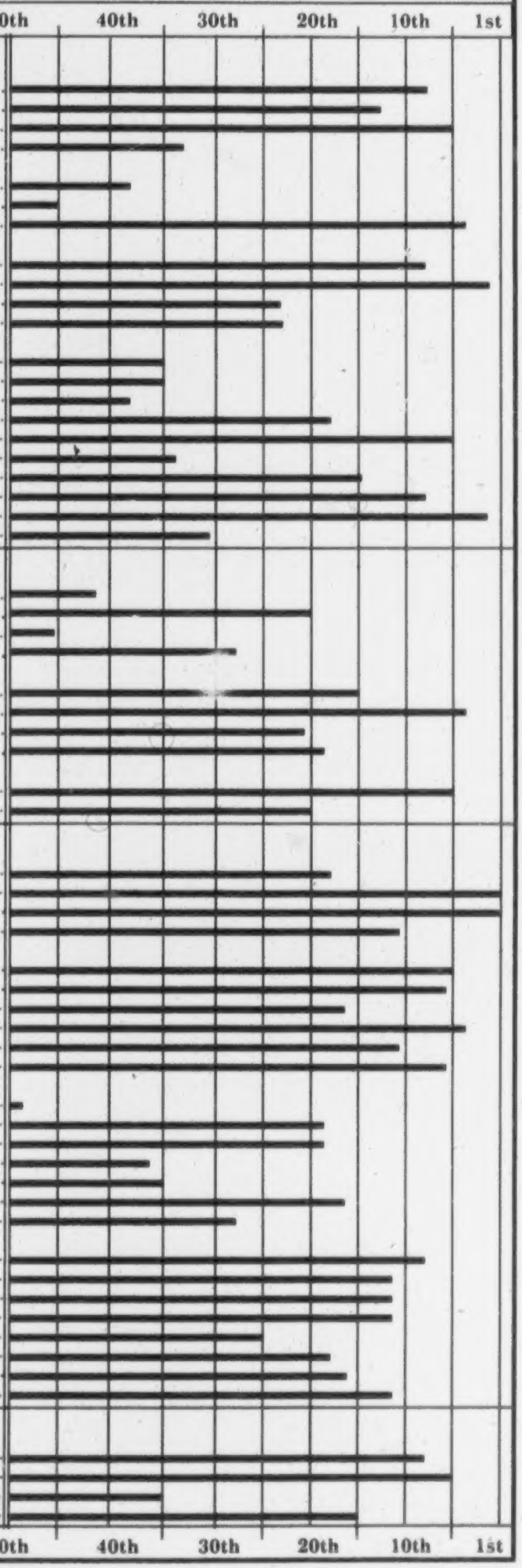
UTAH REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE UTAH RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES	
Employment	Long-Term Employment Growth (8)
	Short-Term Employment Growth (13)
	Unemployment Rate (5)
	Unemployment Duration (33)
Earnings and Job Quality	Average Annual Pay (38)
	Average Annual Pay Growth (45)
	Health Coverage (4)
Equity	Poverty Rate (8)
	Income Distribution (2)
	Income Distribution Change (23)
	Rural/Urban Disparity (23)
Environmental, Social & Health Conditions	Air Quality (35)
	Superfund Dumpsites (35)
	Hazardous Waste Generation (38)
	Surface Water Discharge (18)
	Infant Mortality (5)
	Crime Rate (34)
	Teen Pregnancy (15)
	Heart Disease (8)
	Cancer Cases (2)
	Infectious Diseases (31)
BUSINESS VITALITY INDEX MEASURES	
Competitiveness of Existing Business	Traded Sector Strength (42)
	Change in Traded Sector Strength (20)
	Business Closings (46)
	Manufacturing Capital Investment (28)
Entrepreneurial Energy	New Companies (15)
	Change in New Companies (4)
	New Small Business Job Growth (21)
	Minority & Women Bus. Ownership (19)
Structural Diversity	Sectoral Diversity (5)
	Dynamic Diversity (20)
DEVELOPMENT CAPACITY INDEX MEASURES	
Human Resources	High School Graduation (18)
	Adult Illiteracy (1)
	High School Education Attainment (1)
	College Education Attainment (11)
Technology Resources	PhD Scientists/Engineers in Workforce (5)
	Science/Engineering Grad. Students (6)
	Patents Issued (17)
	University R & D (4)
	Federal R & D (11)
	SBIR Grants (6)
Financial Resources	Commercial Bank Deposits (49)
	Loans to Deposits (19)
	Loans to Equity (19)
	Commercial & Industrial Loans (37)
	Comm. & Ind. Loans to Total Loans (35)
	Venture Capital Investments (17)
	SBIC Financing (28)
Infrastructure & Amenity Resources	Highway Deficiency (8)
	Bridge Deficiency (12)
	Urban Mass Transit Availability (12)
	Energy Cost (12)
	Sewage Needs (25)
	Urban Housing Costs (18)
	Health Professional Shortage Areas (17)
	Tourism Spending (12)
TAX & FISCAL SYSTEM INDEX MEASURES	
	Total Tax & Fiscal System Score (8)
	Fiscal Stability/Balanced Revenue (5)
	Tax Fairness (35)
	Fiscal Equalization (15)

The Corporation for Enterprise Development

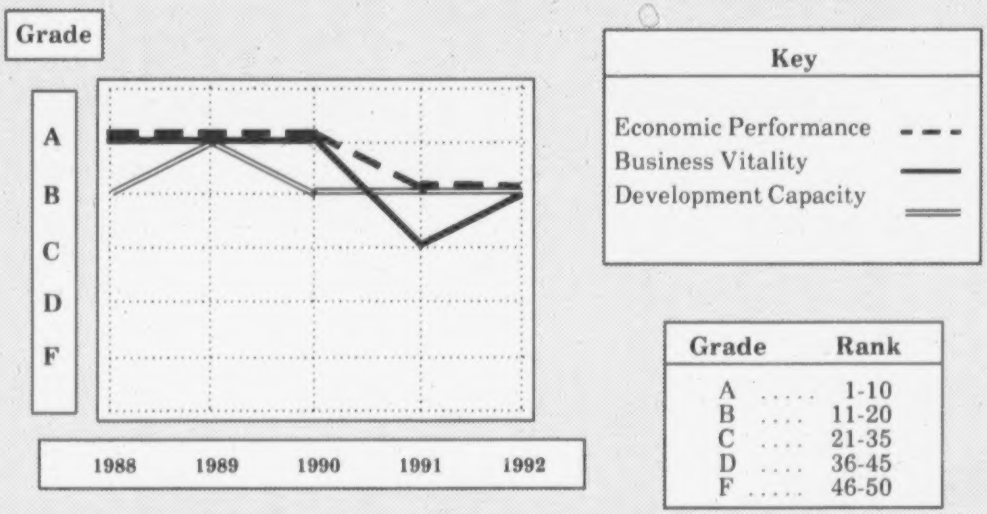
VERMONT 1992 REPORT CARD

Economic Performance	B
Employment	C
Earnings & Job Quality	A
Equity	C

Business Vitality	B
Business Competitiveness	C
Entreprenurial Energy	A
Structural Diversity	D

Development Capacity	B
Human Resources	A
Technology Resources	B
Financial Resources	C
Infra. & Amenity Resources	C

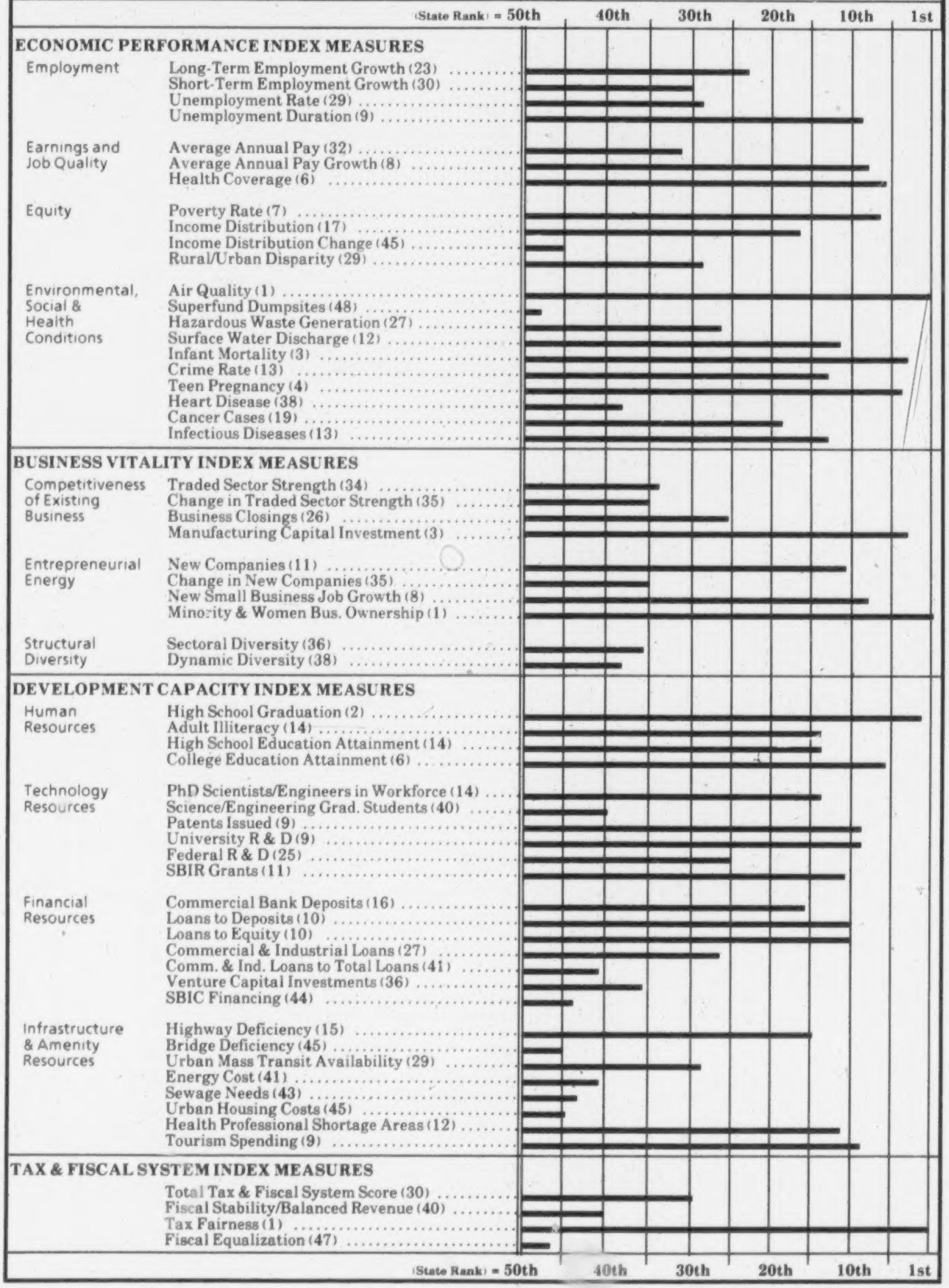
VERMONT REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE VERMONT RANKS – MEASURE BY MEASURE



The Corporation for Enterprise Development

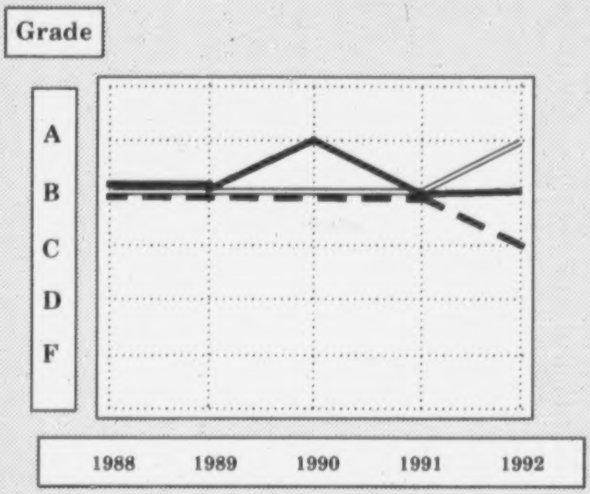
VIRGINIA 1992 REPORT CARD

Economic Performance	C
Employment	A
Earnings & Job Quality	C
Equity	D

Business Vitality	B
Business Competitiveness	D
Entreprenurial Energy	C
Structural Diversity	A

Development Capacity	A
Human Resources	B
Technology Resources	B
Financial Resources	B
Infra. & Amenity Resources	A

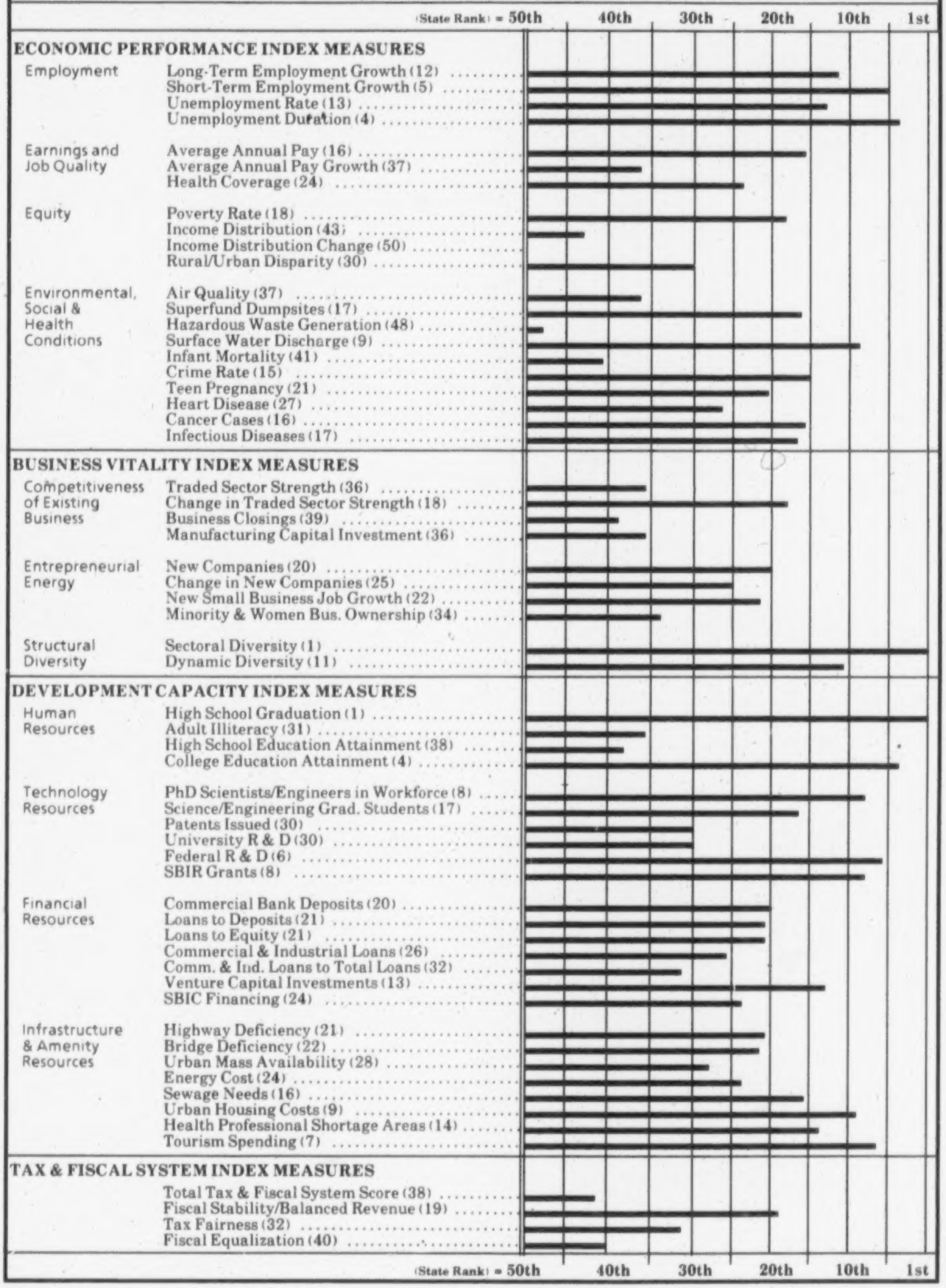
VIRGINIA REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE VIRGINIA RANKS – MEASURE BY MEASURE



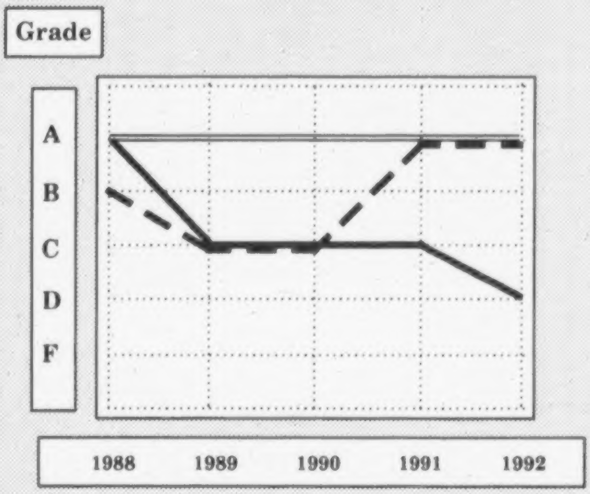
WASHINGTON 1992 REPORT CARD

Economic Performance	**A**
Employment	B
Earnings & Job Quality	B
Equity	A

Business Vitality	**D**
Business Competitiveness	C
Entreprenurial Energy	B
Structural Diversity	F

Development Capacity	**A**
Human Resources	A
Technology Resources	B
Financial Resources	B
Infra. & Amenity Resources	A

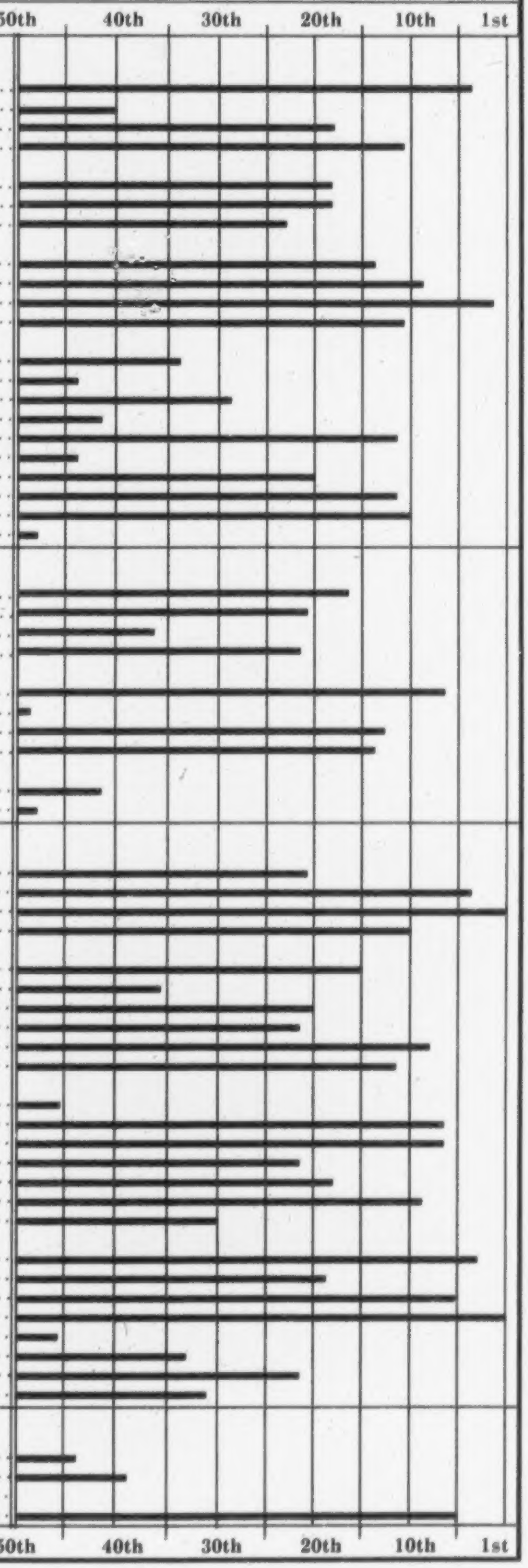
WASHINGTON REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE WASHINGTON RANKS – MEASURE BY MEASURE



ECONOMIC PERFORMANCE INDEX MEASURES		
Employment	Long-Term Employment Growth	(4)
	Short-Term Employment Growth	(40)
	Unemployment Rate	(18)
	Unemployment Duration	(11)
Earnings and Job Quality	Average Annual Pay	(18)
	Average Annual Pay Growth	(18)
	Health Coverage	(23)
Equity	Poverty Rate	(14)
	Income Distribution	(9)
	Income Distribution Change	(2)
	Rural/Urban Disparity	(11)
Environmental, Social & Health Conditions	Air Quality	(34)
	Superfund Dumpsites	(44)
	Hazardous Waste Generation	(29)
	Surface Water Discharge	(42)
	Infant Mortality	(12)
	Crime Rate	(44)
	Teen Pregnancy	(20)
	Heart Disease	(12)
	Cancer Cases	(10)
	Infectious Diseases	(48)
BUSINESS VITALITY INDEX MEASURES		
Competitiveness of Existing Business	Traded Sector Strength	(17)
	Change in Traded Sector Strength	(21)
	Business Closings	(37)
	Manufacturing Capital Investment	(22)
Entrepreneurial Energy	New Companies	(7)
	Change in New Companies	(49)
	New Small Business Job Growth	(13)
	Minority & Women Bus. Ownership	(14)
Structural Diversity	Sectoral Diversity	(42)
	Dynamic Diversity	(48)
DEVELOPMENT CAPACITY INDEX MEASURES		
Human Resources	High School Graduation	(21)
	Adult Illiteracy	(4)
	High School Education Attainment	(1)
	College Education Attainment	(10)
Technology Resources	PhD Scientists/Engineers in Workforce	(15)
	Science/Engineering Grad. Students	(36)
	Patents Issued	(20)
	University R & D	(22)
	Federal R & D	(8)
	SBIR Grants	(12)
Financial Resources	Commercial Bank Deposits	(46)
	Loans to Deposits	(7)
	Loans to Equity	(7)
	Commercial & Industrial Loans	(22)
	Comm. & Ind. Loans to Total Loans	(18)
	Venture Capital Investments	(9)
	SBIC Financing	(30)
Infrastructure & Amenity Resources	Highway Deficiency	(3)
	Bridge Deficiency	(19)
	Urban Mass Transit Availability	(5)
	Energy Cost	(1)
	Sewage Needs	(46)
	Urban Housing Costs	(33)
	Health Professional Shortage Areas	(22)
	Tourism Spending	(32)
TAX & FISCAL SYSTEM INDEX MEASURES		
	Total Tax & Fiscal System Score	(44)
	Fiscal Stability/Balanced Revenue	(39)
	Tax Fairness	(50)
	Fiscal Equalization	(5)

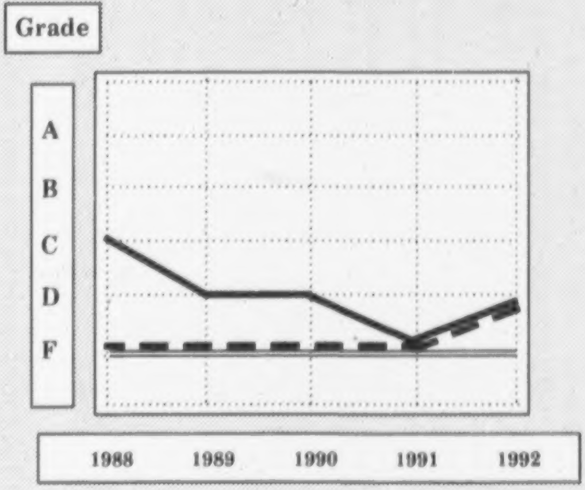
WEST VIRGINIA 1992 REPORT CARD

Economic Performance	**D**
Employment	F
Earnings & Job Quality	C
Equity	D

Business Vitality	**D**
Business Competitiveness	B
Entreprenurial Energy	C
Structural Diversity	D

Development Capacity	**F**
Human Resources	D
Technology Resources	D
Financial Resources	F
Infra. & Amenity Resources	D

WEST VIRGINIA REPORT CARD TRENDS



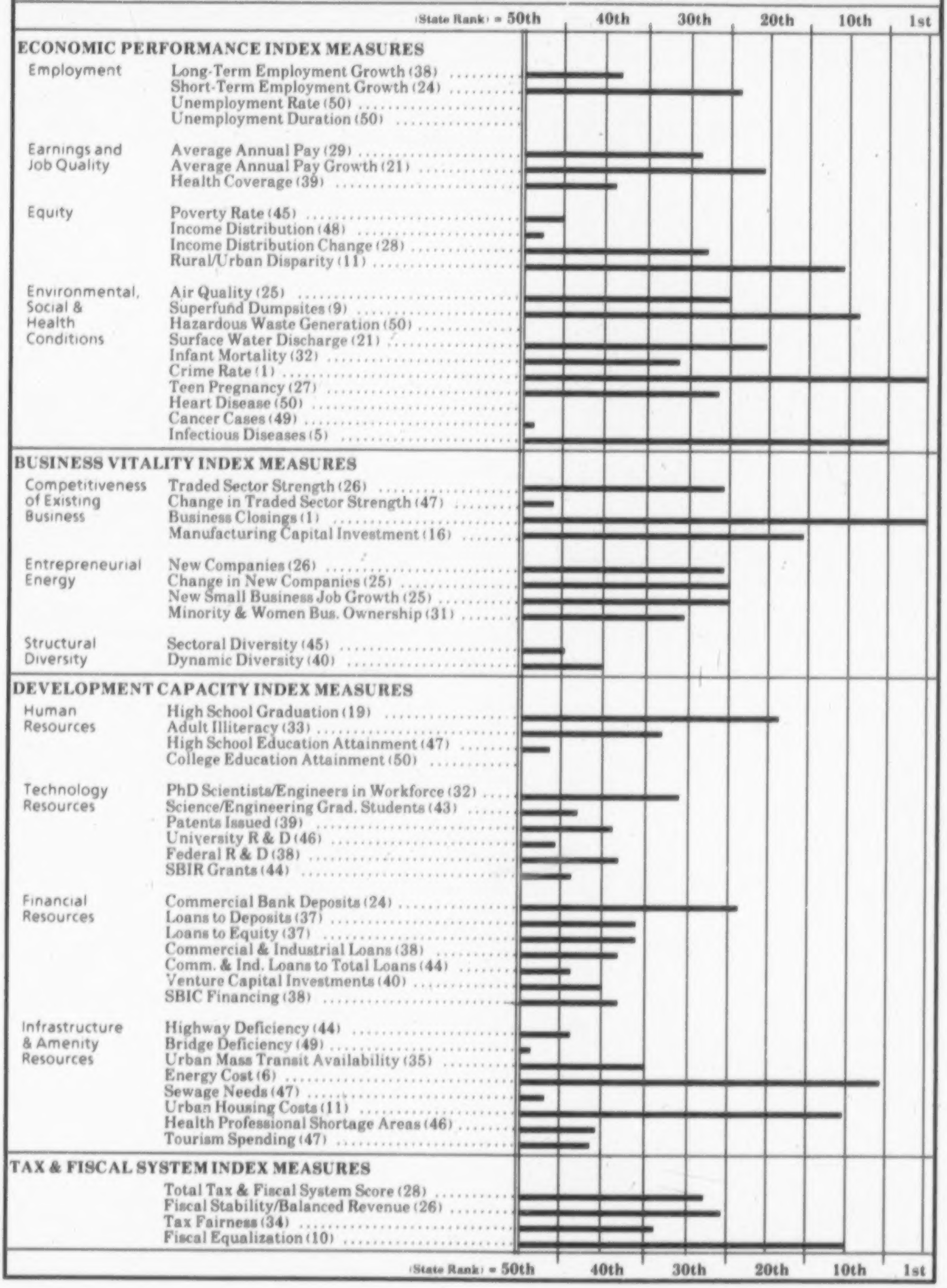
Key

Economic Performance – – –
Business Vitality ——
Development Capacity ═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section. For a detailed explanation of indexes, refer to the individual index sections.

WHERE WEST VIRGINIA RANKS – MEASURE BY MEASURE



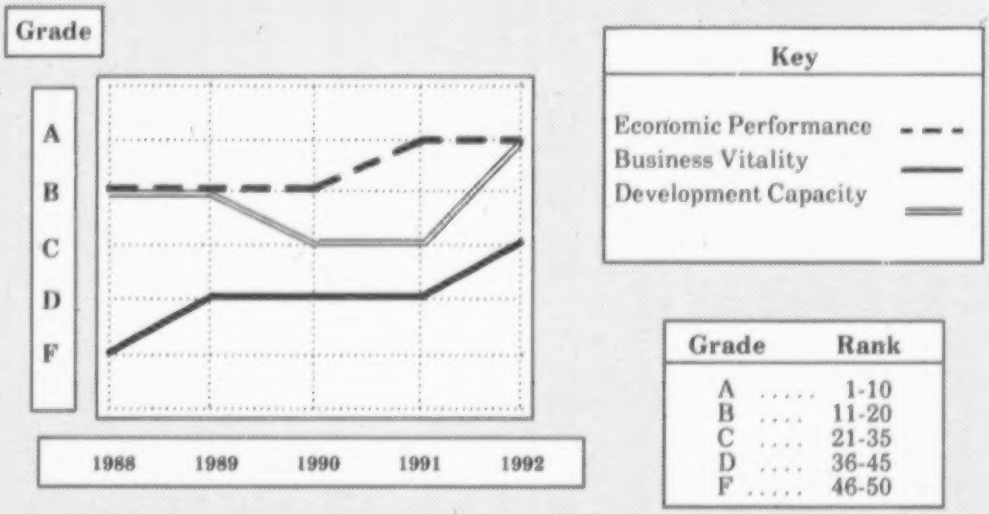
WISCONSIN 1992 REPORT CARD

Economic Performance	A
Employment	B
Earnings & Job Quality	B
Equity	A

Business Vitality	C
Business Competitiveness	A
Entreprenurial Energy	D
Structural Diversity	C

Development Capacity	A
Human Resources	B
Technology Resources	C
Financial Resources	B
Infra. & Amenity Resources	A

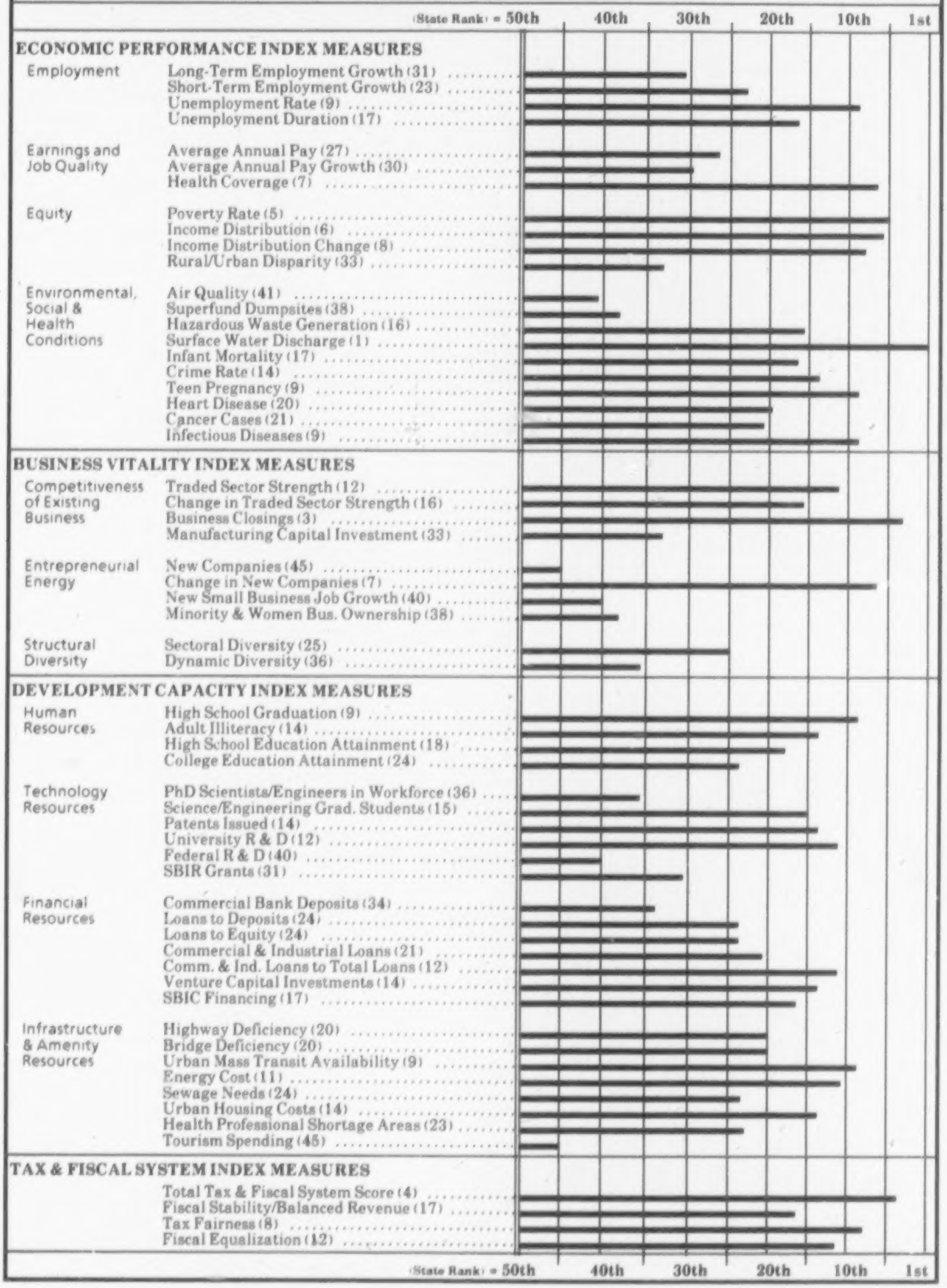
WISCONSIN REPORT CARD TRENDS



Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE WISCONSIN RANKS – MEASURE BY MEASURE



The Corporation for Enterprise Development

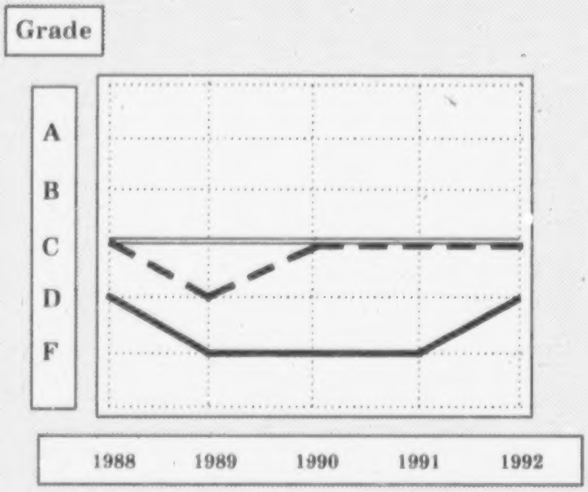
WYOMING 1992 REPORT CARD

Economic Performance	**C**
Employment	C
Earnings & Job Quality	D
Equity	B

Business Vitality	**D**
Business Competitiveness	F
Entreprenurial Energy	A
Structural Diversity	F

Development Capacity	**C**
Human Resources	A
Technology Resources	C
Financial Resources	F
Infra. & Amenity Resources	C

WYOMING REPORT CARD TRENDS

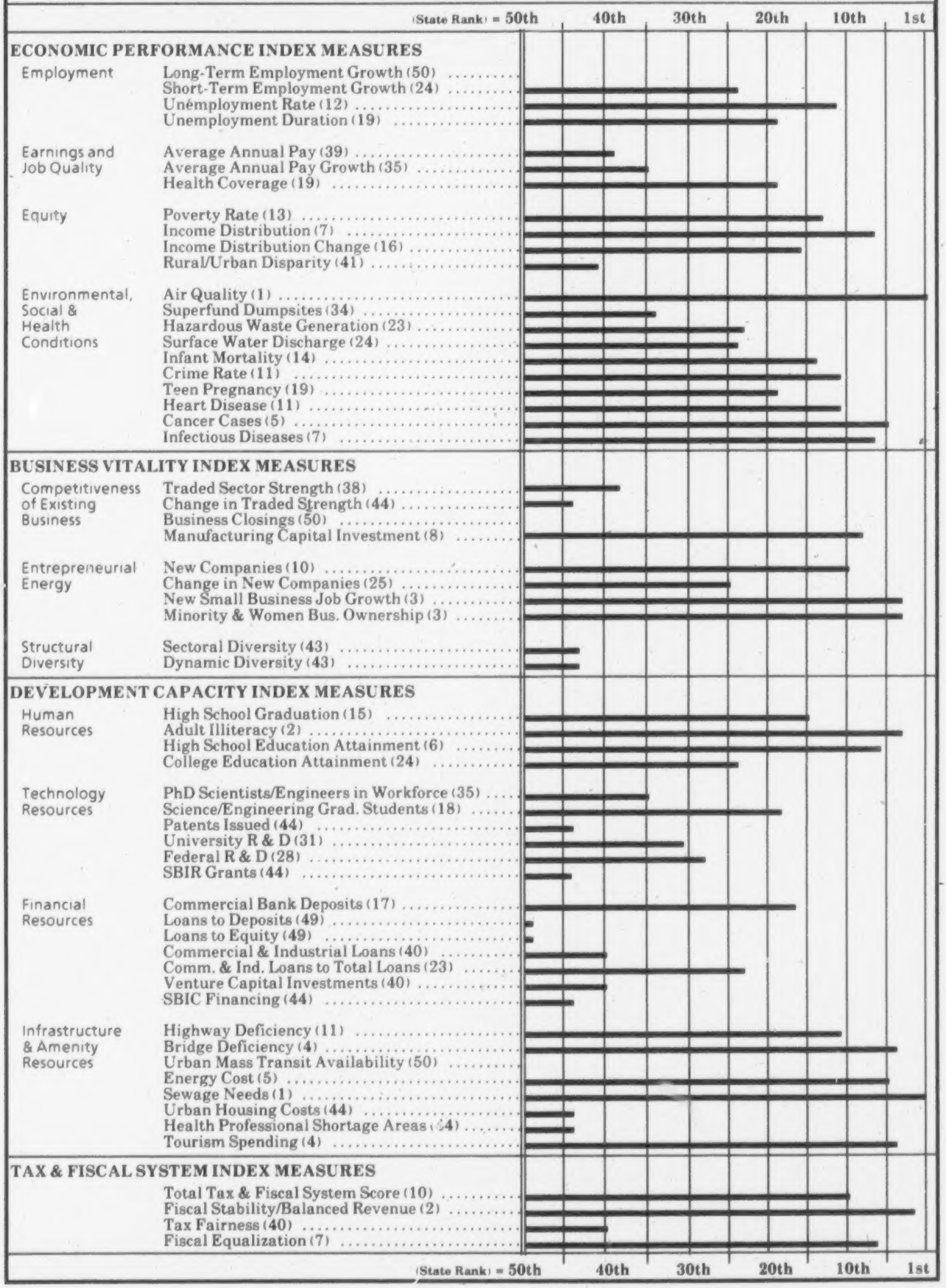


Key	
Economic Performance	- - -
Business Vitality	—
Development Capacity	═

Grade	Rank
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

For more information on how grades and ranks are calculated, see the Methodology section.
For a detailed explanation of indexes, refer to the individual index sections.

WHERE WYOMING RANKS - MEASURE BY MEASURE



The Corporation for Enterprise Development

Methodology

Methodology

The Report Card Framework

The Development Report Card's index framework was based on the findings from an extensive literature review about the dynamics of development and economic growth in today's economy. The framework and indicators were reviewed by a technical advisory board composed of economic experts and representatives from business, labor, government, and community development organizations. CFED also drew upon its own hands-on-expertise in technical assistance and strategic policy design.

Cautions and Caveats

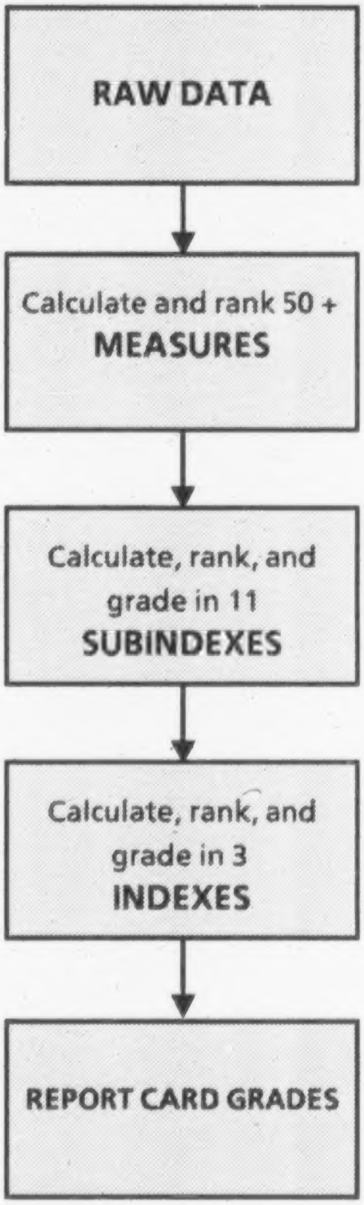
No Grade Point Average: Although a single summary grade would help capture the public imagination, it also unduly telescopes the very complex process of development and offers little meaning for understanding the strengths and weakness of a state's economy.

The Quality of Data: The measures available to diagnose the health of state economies vary in quality and precision. Since we are driven by what needs to be known, not just by what is readily known, we sometimes have to resort to proxy measures – indirect ways of getting answers to important questions – because no one has asked or collected data on the measures before.

The Timeliness of Data: Data provides a snapshot of the recent past, so some changes may have occurred, particularly for job-related measures like unemployment rate and employment growth, by the time data is available. The timeliness of each measure may also vary due to how it was collected. Economists call these "lags" in the data. Since the Report Card is based on, and thus limited by, available and collected measures, changes in economies which are dramatic by anecdote may appear slight on the Report Card.

Making the Grades

Here's how the Report Card grades are calculated:


RAW DATA
Calculate and rank 50 + MEASURES
Calculate, rank, and grade in 11 SUBINDEXES
Calculate, rank, and grade in 3 INDEXES
REPORT CARD GRADES

- Raw data is collected for more than 50 measures, gathered into 11 subindexes and 3 indexes.

- Each state is ranked from 1 to 50 for every measure based on the raw data or "score" for that state.
- The best state score is assigned a ranking of "1" with the lowest ranking "50".*

- To compile a subindex, a state's ranks for every measure in the subindex grouping are added together. This total is the subindex score.
- Subindex scores are then ranked from 1 to 50.*

- To create a final index score, state ranks for each relevant subindex are added together, creating an index score.
- The index score for each state is ranked from 1 to 50 and a grade is assigned.**

- Grades are assigned corresponding to each subindex and index final score and rank.

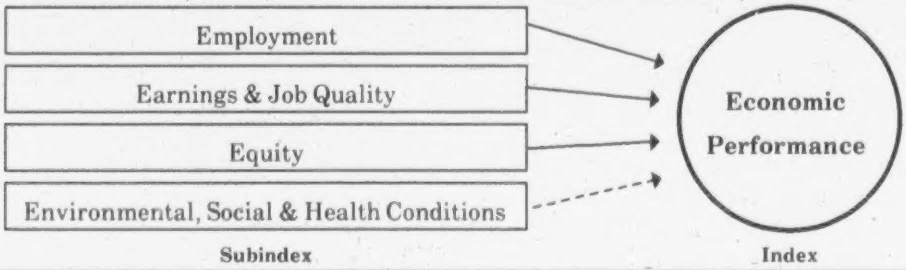
Grade	Rank**
A	1-10
B	11-20
C	21-35
D	36-45
F	46-50

---

* *When a tie occurs, both states receive the same rank, and the next highest scoring state is ranked as if a tie had not occurred. For example, if two states have tie scores, they both receive a rank of 1 and the next state is ranked 3.*

Economic
Performance

Economic Performance Index



The Economic Performance Index is based on eleven individual measures gathered into three subindexes. For informational purposes, ten measures on environment, social, and health conditions are also included.

> *The Economic Performance Index is a thorough review of a state's "profits and losses."*

Employment Subindex

The Employment Subindex determines the extent to which the economy is providing jobs for those who seek them by measuring:

- *Long-Term Employment Growth*
- *Short-Term Employment Growth*
- *Unemployment Rate*
- *Unemployment Duration*

Earnings & Job Quality Subindex

This subindex determines how well people are compensated for the work they do based on the following three measures:

- *Average Annual Pay*
- *Average Annual Pay Growth*
- *Health Coverage*

Equity Subindex

Equity, or the extent to which the opportunity to attain a higher standard of living is widely shared, is based on four measures:

- *Poverty Rate*
- *Income Distribution*
- *Income Distribution Change*
- *Rural/Urban Disparity*

Environmental, Social & Health Conditions Subindex

This subindex provides insights into the quality of life in areas where people live when they are not working. Because environmental, social, and health conditions are still too imprecise to characterize the overall quality of life, these measures are not included when grading the states. The three main areas explored are:

Environmental Quality:

- *Air Quality*
- *Superfund Dumpsites*
- *Hazardous Waste Generation*
- *Surface Water Discharge*

Social Conditions:

- *Infant Mortality*
- *Crime Rate*
- *Teen Pregnancy*

Health Conditions:

- *Heart Disease*
- *Cancer Cases*
- *Infectious Diseases*

Data tables, measures, and sources for each subindex can be found on the pages that follow.

Employment Data

	Long-Term Employment		Short-Term Employment		Unemployment Rate		Unemployment Duration	
State	%	Rank	%	Rank	%	Rank	%	Rank
Alabama	17.77	20	0.49	13	7.1	40	9.6	25
Alaska	16.16	25	-1.09	34	7.5	44	11.3	37
Arizona	32.23	3	-1.12	35	5.2	11	6.1	2
Arkansas	12.94	34	-1.88	42	7.4	43	12.7	41
California	24.29	7	-1.06	32	7.3	42	7.9	11
Colorado	10.67	40	0.29	16	4.9	8	12.8	43
Connecticut	12.19	36	-0.75	28	5.7	15	15.4	48
Delaware	25.39	6	-1.06	32	6.6	32	5.6	1
Florida	34.15	2	-0.68	26	7.0	39	8.0	13
Georgia	21.81	14	-1.95	44	5.9	18	8.6	20
Hawaii	22.43	11	4.02	1	2.7	2	8.0	13
Idaho	15.24	26	3.30	2	6.1	23	7.5	8
Illinois	14.90	28	-0.40	22	6.5	29	12.7	41
Indiana	16.43	24	0.26	18	5.9	18	7.3	6
Iowa	10.12	43	0.13	20	4.7	6	14.5	46
Kansas	11.65	37	0.27	17	4.7	6	9.7	27
Kentucky	10.79	39	-1.41	39	6.9	37	18.5	49
Louisiana	6.88	45	1.50	6	6.8	36	13.6	45
Maine	22.76	10	-1.77	41	7.5	44	8.0	13
Maryland	18.03	19	0.88	9	5.8	17	7.3	6
Massachusetts	3.47	47	-5.05	50	8.6	48	10.3	33
Michigan	13.58	32	-4.37	49	8.8	49	9.6	25
Minnesota	17.38	21	0.75	12	5.1	9	9.8	29
Mississippi	17.04	22	-0.91	29	8.5	47	8.6	20
Missouri	19.49	17	0.88	9	6.5	29	9.7	27
Montana	4.56	46	-0.30	21	6.7	34	9.1	24
Nebraska	12.25	35	2.56	3	2.4	1	7.8	9
Nevada	40.42	1	1.89	4	5.7	15	6.1	2
New Hampshire	27.47	5	-1.15	36	6.9	37	12.3	39
New Jersey	12.98	33	-1.94	43	6.3	25	9.9	31
New Mexico	21.48	15	1.49	7	7.1	40	10.4	35
New York	9.93	44	-3.44	48	6.6	32	12.4	40
North Carolina	21.96	13	0.40	15	5.6	14	8.1	17
North Dakota	3.15	48	-2.93	47	4.0	4	8.7	23
Ohio	15.05	27	-1.23	38	6.4	26	15.0	47
Oklahoma	2.18	49	-2.89	46	6.4	26	8.6	20
Oregon	19.52	16	1.32	8	5.9	18	13.3	44
Pennsylvania	14.44	30	-0.69	27	6.7	34	10.8	36
Rhode Island	10.30	42	-2.85	45	7.9	46	8.0	13
South Carolina	23.36	9	0.18	19	5.9	18	10.1	32
South Dakota	10.65	41	-1.03	31	3.5	3	12.2	38
Tennessee	18.72	18	-1.15	36	6.2	24	6.6	4
Texas	14.66	29	0.88	9	6.4	26	9.8	29
Utah	23.40	8	0.49	13	4.6	5	10.3	33
Vermont	16.62	23	-1.00	30	6.5	29	7.8	9
Virginia	22.31	12	1.78	5	5.5	13	6.6	4
Washington	28.94	4	-1.48	40	5.9	18	7.9	11
West Virginia	11.15	38	-0.57	24	9.7	50	19.3	50
Wisconsin	13.94	31	-0.43	23	5.1	9	8.1	17
Wyoming	-3.29	50	-0.57	24	5.4	12	8.3	19

Employment Data Sources

The most basic measure of the economic health of a state is whether people can find work. Four measures of employment are used in this subindex:

- *Long-Term Employment Growth*
- *Short-Term Employment Growth*
- *Unemployment Rate*
- *Unemployment Duration*

Long-Term Employment Growth

Long-term employment growth tells how quickly an economy is expanding, a key indicator of economic health. The more energetic and adaptive the economy, the more jobs are being created. Measuring job growth does not tell us if the jobs being created pay as well as those being eliminated, who is getting the new jobs, or whether employment growth is just a reflection of population growth. We measure the growth in long-term employment from the depths of the last recession to the most recently available data on the current recession.

Measure: Percentage of change in employment of workers on nonagricultural payrolls, by place of residence, from the year October 1982–September 1983 to the year October 1990–September 1991.

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Local Area Unemployment Statistics," Washington, DC, December 1991.

Short-Term Employment Growth

To reflect the impact of recent events on the trend uncovered by long-term employment growth, we measure short-term changes in employment from the most recent quarter available to that same quarter a year ago.

Measure: Percentage of change in employment of workers on nonagricultural payrolls, by place of residence, October 1990–September, 1991.

Source: Same as Long-Term Employment Growth.

Unemployment Rate

The most acceptable measure of the mismatch between the number of jobs and job-seekers is the unemployment rate – the number of people looking for work or waiting to be called back to a job from which they have been laid off.

Careful consideration should be given because this measure doesn't tell us anything about those who have never been a part of the labor force or those that have stopped looking entirely.

Measure: Percentage of average unemployed labor force, October 1990–September 1991.

Source: Same as Long-Term Employment Growth.

Unemployment Duration

Unemployment lasting for longer periods of time may indicate that the economy is failing to produce jobs, that the jobs being created and the skills of the workforce don't match, or that the hiring of some kinds of workers is being restricted in some way. Once again, because only those still looking for work are counted as unemployed, we do not have a way to identify those who have stopped looking.

Measure: Percentage of unemployed members of the labor force who were unemployed more than 27 weeks, 1990.

Source: U.S. Department of Labor, *Geographic Profile of Employment and Unemployment* (Washington DC: GPO, June 1991).

Earnings & Job Quality Data

State	Average Annual Pay $	Rank	Average Annual Pay Growth %	Rank	Health Coverage %	Rank
Alabama	20,468	33	4.5	26	71.0	41
Alaska	29,946	1	0.8	50	66.6	46
Arizona	21,443	25	3.0	48	71.6	40
Arkansas	18,204	46	4.5	26	69.9	42
California	26,180	6	5.1	9	66.5	47
Colorado	22,908	14	4.4	30	75.6	31
Connecticut	28,995	2	5.4	6	87.0	1
Delaware	24,423	10	5.0	12	73.9	36
Florida	21,032	28	4.8	18	69.7	43
Georgia	22,114	22	4.9	16	73.5	38
Hawaii	23,167	12	7.1	1	82.6	8
Idaho	18,991	44	4.7	21	77.5	26
Illinois	25,312	8	4.5	26	78.7	21
Indiana	21,699	24	3.7	45	78.5	22
Iowa	19,224	43	4.4	30	85.6	2
Kansas	20,238	35	3.9	38	81.9	10
Kentucky	19,947	40	5.0	12	75.6	31
Louisiana	20,646	30	4.5	26	66.8	45
Maine	20,154	37	5.0	12	80.0	18
Maryland	24,730	9	5.4	6	81.2	15
Massachusetts	26,689	5	5.8	4	81.4	14
Michigan	25,376	7	2.5	49	78.8	20
Minnesota	23,126	13	4.4	30	83.4	5
Mississippi	17,718	48	3.9	38	63.7	50
Missouri	21,716	23	3.9	38	77.1	27
Montana	17,895	47	3.9	38	73.8	37
Nebraska	18,577	45	5.0	12	80.7	16
Nevada	22,358	21	4.8	18	76.1	29
New Hampshire	22,609	19	4.9	16	80.7	16
New Jersey	28,449	4	6.2	2	81.7	11
New Mexico	19,347	42	3.6	47	65.3	49
New York	28,873	3	5.8	4	74.4	34
North Carolina	20,220	36	4.7	21	75.9	30
North Dakota	17,626	49	4.1	36	85.3	3
Ohio	22,843	15	3.9	38	82.1	9
Oklahoma	20,288	34	3.9	38	67.3	44
Oregon	21,332	26	5.1	9	77.6	25
Pennsylvania	23,457	11	5.1	9	81.6	12
Rhode Island	22,388	20	6.0	3	81.5	13
South Carolina	19,669	41	4.6	24	74.5	33
South Dakota	16,430	50	3.9	38	77.1	27
Tennessee	20,611	31	4.6	24	74.2	35
Texas	22,700	17	4.4	30	66.4	48
Utah	20,074	38	3.7	45	83.7	4
Vermont	20,532	32	5.3	8	83.3	6
Virginia	22,750	16	4.0	37	78.0	24
Washington	22,646	18	4.8	18	78.2	23
West Virginia	20,715	29	4.7	21	72.2	39
Wisconsin	21,101	27	4.4	30	82.8	7
Wyoming	20,049	39	4.3	35	79.5	19

Earnings & Job Quality Data Sources

The Earnings and Job Quality subindex explores the issue of whether America's economic restructuring is replacing well-paid, low-skill jobs with low-paying, moderate skill jobs. It goes beyond how many jobs are being created to gauge how good the jobs are in terms of wages and benefits by measuring the following:

- *Average Annual Pay*
- *Average Annual Pay Growth*
- *Health Coverage*

Average Annual Pay

Average annual pay is the total annual pay of all employees covered by unemployment insurance, divided by the average number of employees. In addition to wages, payroll data includes bonuses, tips and gratuities, paid vacation, and employer contributions to deferred compensation plans.

With few exceptions, all full-time and part-time employers in covered firms are reported, including production and sales workers, corporation officials, executives, supervisory personnel, and clerical workers. Excluded, due to limits on data, are agricultural workers on small farms, most railroad employees, most non-profit organization employees, self-employed workers, and all members of the Armed Forces.

Measure: Average annual pay (in dollars) for all workers covered by unemployment insurance, by location of establishment, 1990.

Source: U.S. Department of Labor, Bureau of Labor Statistics, "Average Annual Pay by State and Industry, 1990," USDL 91-390 News Release, Washington, DC, August 8, 1991.

Average Annual Pay Growth

This measure examines how fast average annual pay in a state is growing from year to year. Like employment growth, this measure aims to portray how much improvement, if any, is occurring in each state's economy.

Measure: Percentage of change in average annual pay for all workers covered by unemployment insurance, by location of establishment, 1989-1990.

Source: Same as Average Annual Pay.

Health Coverage

One important clue to job quality is the extent to which state economies are meeting the benefit needs of their citizens, which varies significantly from state to state. Of these benefits, employer-sponsored health coverage is perhaps the most important.

Measure: Percentage of non-elderly population covered by private health plans, 1988.

Source: Employee Benefit Research Institute, *Uninsured in the United States* (Washington, DC: Employee Benefit Research Institute, April 1991).

Equity Data

	Poverty Rate		Income Distribution		Income Dist. Change		Rural/Urban Disparity	
State	%	Rank	Ratio	Rank	%	Rank	Score	Rank
Alabama	20.15	46	10.72	45	-10.30	10	31	32
Alaska	10.46	16	9.37	36	6.48	44	33	34
Arizona	13.36	36	9.12	31	6.17	42	47	48
Arkansas	21.28	48	9.91	40	-1.30	26	4	4
California	13.04	31	9.75	37	9.67	47	36	37
Colorado	12.06	24	9.32	35	6.27	43	39	40
Connecticut	4.07	1	6.36	3	-11.42	7	21	22
Delaware	7.60	3	6.77	5	-9.25	14	2	2
Florida	12.93	30	9.22	33	2.90	36	45	46
Georgia	14.37	37	10.01	41	4.38	39	17	18
Hawaii	10.72	17	8.09	23	9.61	46	37	38
Idaho	12.61	27	7.38	12	-9.78	11	35	36
Illinois	13.33	34	9.82	38	0.31	27	29	30
Indiana	11.74	22	7.92	20	2.73	35	5	5
Iowa	11.09	18	7.19	10	-28.61	1	25	26
Kansas	9.32	10	7.07	8	-8.77	17	15	15
Kentucky	15.99	39	9.24	34	2.10	32	19	20
Louisiana	23.51	49	14.47	50	13.85	49	18	19
Maine	11.90	23	7.79	19	2.63	34	3	3
Maryland	9.38	11	7.48	13	-10.42	9	34	35
Massachusetts	8.60	6	8.63	28	6.15	41	42	43
Michigan	12.91	29	8.83	29	-12.40	6	26	27
Minnesota	12.07	25	7.74	18	-7.19	20	47	48
Mississippi	25.03	50	11.11	49	9.89	48	38	39
Missouri	12.75	28	8.46	26	1.20	29	27	28
Montana	16.05	40	8.01	22	-12.85	5	41	42
Nebraska	11.46	20	7.23	11	-16.90	4	24	25
Nevada	9.71	12	6.60	4	-19.82	3	7	7
New Hampshire	5.40	2	6.17	1	3.18	38	10	9
New Jersey	7.77	4	8.20	24	-1.68	24	16	16
New Mexico	20.88	47	10.76	47	-8.19	19	46	47
New York	13.35	35	10.75	46	3.07	37	16	16
North Carolina	13.11	32	8.84	30	2.43	33	9	8
North Dakota	13.25	33	7.97	21	-9.23	15	49	50
Ohio	12.19	26	8.51	27	5.85	40	1	1
Oklahoma	16.58	42	10.11	42	-1.56	25	6	6
Oregon	11.66	21	7.52	14	-9.50	13	13	13
Pennsylvania	10.34	14	7.66	16	-5.67	22	10	9
Rhode Island	8.97	9	7.62	15	-6.28	21	20	21
South Carolina	16.15	41	9.20	32	-8.37	18	43	44
South Dakota	14.42	38	8.34	25	-9.74	12	23	24
Tennessee	17.62	43	9.84	39	1.65	30	44	45
Texas	17.63	44	10.63	44	2.01	31	14	14
Utah	8.83	8	6.31	2	-5.54	23	22	23
Vermont	8.80	7	7.73	17	9.18	45	28	29
Virginia	11.09	18	10.44	43	17.69	50	29	30
Washington	10.34	14	7.11	9	-23.95	2	11	11
West Virginia	18.99	45	10.80	48	0.65	28	11	11
Wisconsin	8.13	5	6.95	6	-11.13	8	32	33
Wyoming	10.10	13	7.02	7	-8.94	16	40	41

Equity Data Sources

Any evaluation of a state economy must consider the distribution of opportunities to gain employment and income. To measure how widely shared economic opportunity is, four measures are used:

- *Poverty Rate*
- *Income Distribution*
- *Income Distribution Change*
- *Rural/Urban Disparity*

Poverty Rate

The number of individuals in a state who live below the federally-established poverty line presents a concrete measure of performance in general, and of equity in particular. An economy with a high percentage of people below this line – whether they work or not – is not fulfilling its basic purpose of providing people with opportunities for a better life.

Measure: Percentage of population living in households with incomes below the poverty line, 1987–1989.

Source: Sheldon Danziger and Jon Haveman, University of Michigan-Ann Arbor, 1991. Calculations based on merged U.S. Current Population Survey data tapes from March 1988, 1989, and 1990.

Income Distribution

Measures the variation between the wealthiest 20 percent and the poorest 20 percent of the population. The greater the variation, the less equitable the distribution of income.

Measure: Ratio of median income of families (family income) in the top quintile to median income of families in the bottom quintile, 1987–1989.

Source: Same as Poverty Rate.

Income Distribution Change

To capture a sense of whether economic development is increasing or decreasing the opportunity for people to obtain the elements of a better life, we examine the change in a state's income distribution from the mid- to the late 1980s.

Measure: Percentage of change in the ratio of families in the top quintile (family income) to median income of families in the bottom quintile, from the 1984–1986 ratio to 1987–1989 ratio.

Source: Same as Poverty Rate. Calculations based on merged U.S. Current Population Survey data tapes from March 1985, 1986, 1987, 1988, 1989, and 1990.

Rural/Urban Disparity

Economic development also needs to be widely shared across a state. This measure presents a composite score of the disparities in economic performance indicators between urban and rural areas in a state.

Measure: Composite index score of six economic performance measures that compare absolute value differences between nonmetropolitan and metropolitan counties within a state. Measures include long-term employment growth (1984–1990), short-term employment growth (1989–1990), unemployment rate (1990), average earnings (1989), long-term earnings growth (1984–1989), and short-term earnings growth (1988–1989).

Source: CFED, "Rural/Urban Disparity Index," Washington, DC, February 1991.

Note: See the Appendix: *Rural/Urban Disparity Index* for more details, and for an explanation of New Jersey's score.

Environmental, Social & Health Data (part 1)

	Air Quality		Superfund Dumpsites		Hazardous Waste Gen.		Surf. Water Discharge	
State	Score	Rank	#	Rank	Metric Tons	Rank	%	Rank
Alabama	0.56	17	2.97	12	186.78	41	9.45	37
Alaska	1.83	22	10.91	45	3.31	8	4.39	17
Arizona	5.61	42	2.72	8	34.94	33	6.45	23
Arkansas	0.00	1	4.26	22	41.27	35	6.80	25
California	16.58	50	3.06	14	3.98	12	2.90	13
Colorado	2.82	30	4.86	27	11.44	19	2.75	11
Connecticut	8.00	43	4.56	25	17.29	26	14.50	45
Delaware	0.51	16	29.85	50	56.01	36	3.13	14
Florida	2.27	27	4.02	20	3.10	7	1.39	7
Georgia	2.87	31	2.01	5	949.00	49	3.45	16
Hawaii	0.00	1	1.80	4	0.81	2	0.00	1
Idaho	0.00	1	8.91	41	16.72	25	8.96	31
Illinois	8.28	44	3.24	18	15.22	24	7.09	26
Indiana	0.74	18	5.96	31	63.52	37	15.05	46
Iowa	0.00	1	7.19	36	11.53	20	19.23	48
Kansas	0.00	1	4.44	24	201.97	43	5.56	19
Kentucky	0.91	19	5.15	29	430.26	45	13.60	43
Louisiana	1.36	21	2.[illegible]	7	690.91	46	15.26	47
Maine	3.76	38	7.32	37	7.28	17	9.09	32
Maryland	9.24	47	2.09	6	3.32	9	1.12	6
Massachusetts	10.12	48	4.15	21	2.51	5	8.67	30
Michigan	3.08	33	8.28	40	26.66	31	9.63	38
Minnesota	2.19	26	9.59	42	3.97	11	12.66	41
Mississippi	0.00	1	0.78	1	195.97	42	5.62	20
Missouri	3.60	36	4.30	23	5.69	15	9.09	32
Montana	0.22	14	10.00	43	9.39	18	0.00	1
Nebraska	0.00	1	5.06	28	3.61	10	5.97	22
Nevada	1.94	23	0.83	2	0.69	1	0.00	1
New Hampshire	2.09	24	15.32	49	13.81	22	10.61	40
New Jersey	0.25	15	14.10	47	798.92	47	23.70	50
New Mexico	1.27	20	6.58	32	1.74	3	2.70	10
New York	15.40	49	4.67	26	2.40	4	14.05	44
North Carolina	2.47	28	3.32	19	21.12	28	1.83	8
North Dakota	0.00	1	3.13	15	26.91	32	0.00	1
Ohio	4.48	40	3.04	13	26.03	30	19.59	49
Oklahoma	0.00	1	3.17	16	120.60	39	9.20	35
Oregon	2.95	32	2.82	10	2.85	6	8.47	29
Pennsylvania	8.77	45	8.16	39	5.49	14	9.95	39
Rhode Island	9.00	46	12.00	46	11.96	21	9.38	36
South Carolina	0.04	13	6.59	33	398.57	44	7.56	28
South Dakota	0.00	1	5.71	30	4.10	13	3.33	15
Tennessee	2.48	29	2.87	11	37.14	34	7.09	26
Texas	4.41	39	1.71	3	182.85	40	9.11	34
Utah	3.53	35	6.98	35	76.94	38	4.76	18
Vermont	0.00	1	14.29	48	19.04	27	2.86	12
Virginia	3.62	37	3.23	17	931.57	48	2.65	9
Washington	3.24	34	10.06	44	24.51	29	13.48	42
West Virginia	2.18	25	2.79	9	4,042.89	50	5.77	21
Wisconsin	4.63	41	7.98	38	6.19	16	0.00	1
Wyoming	0.00	1	6.67	34	14.69	23	6.67	24

Environmental, Social & Health Conditions Data Sources

This "informational" subindex includes a wide array of environmental, social, and health factors that contribute to a state's quality of life. Ten measures in three areas are used:

Environmental Quality:
- *Air Quality*
- *Superfund Dumpsites*
- *Hazardous Waste Generation*
- *Surface Water Discharge*

Social Conditions:
- *Infant Mortality*
- *Crime Rate*
- *Teen Pregnancy*

Health:
- *Heart Disease*
- *Cancer Cases*
- *Infectious Diseases*

Environmental Quality

Only factors for which consistent state-by-state data can be collected are examined. Many other elements are needed to accurately portray the quality of the environment.

Air Quality

Measure: Score according to the degree to which state residents live in areas that exceeded national ambient air quality standards for ozone and/or carbon monoxide, 1989.

Source: Environmental Protection Agency, Office of Air Quality Planning and Standards, "Ozone and Carbon Monoxide Areas Designated Non-attainment," Washington, DC, October 26, 1991. Calculations by CFED.

Superfund Dumpsites

Measure: Number of superfund dumpsites per one million population, 1990.

Source: Environmental Protection Agency, Office of Emergency and Remedial Response, *National Priorities List, Proposed Rule*, Publication 9320.7-041, HW10.14-S (Washington, DC, July 1991).

Hazardous Waste Generation

Measure: Hazardous waste (in metric tons) generated per capita, 1987.

Source: 1987 National Biennial Record, "Hazardous Waste Report," Washington, DC, October 1991.

Surface Water Discharge

Measure: Percentage of major municipal and nonmunicipal discharges in significant noncompliance with the established water quality standards specified on permit, June 1991.

Source: Environmental Protection Agency, Office of Water Enforcement and Permits, Washington, DC, 1991.

Environmental, Social & Health Data (part 2)

State	Infant Mortality Rate	Infant Mortality Rank	Crime Rate Rate	Crime Rate Rank	Teen Pregnancy Rate	Teen Pregnancy Rank
Alabama	10.5	40	4,915.2	21	70.23	43
Alaska	8.8	26	5,152.7	24	66.14	35
Arizona	8.4	22	7,888.7	49	71.24	44
Arkansas	10.1	37	4,866.9	20	78.34	49
California	–	47	6,603.6	45	65.36	34
Colorado	8.2	18	6,053.7	39	53.76	24
Connecticut	–	47	5,386.7	29	39.85	6
Delaware	11.6	44	5,360.4	28	57.58	31
Florida	9.3	29	8,810.8	50	67.48	38
Georgia	12.4	45	6,763.6	47	74.82	47
Hawaii	6.2	1	6,106.7	41	55.71	26
Idaho	8.6	25	4,057.1	9	47.23	17
Illinois	–	47	5,935.1	36	61.59	33
Indiana	8.9	27	4,683.3	18	56.20	29
Iowa	7.6	9	4,100.9	10	40.72	8
Kansas	8.5	23	5,193.1	25	53.40	23
Kentucky	8.2	18	3,299.4	4	66.64	36
Louisiana	10.3	39	6,486.7	43	73.36	46
Maine	6.9	6	3,697.8	7	43.50	13
Maryland	8.3	21	5,830.5	35	54.76	25
Massachusetts	6.6	4	5,297.9	26	37.38	5
Michigan	10.6	41	5,994.8	37	56.05	28
Minnesota	7.4	8	4,538.8	17	34.38	2
Mississippi	12.6	46	3,869.1	8	81.10	50
Missouri	9.8	34	5,120.6	23	60.57	32
Montana	8.5	23	4,502.1	16	42.90	11
Nebraska	7.6	9	4,213.0	12	40.30	7
Nevada	8.0	14	6,063.6	40	67.68	39
New Hampshire	7.6	9	3,645.2	6	34.97	3
New Jersey	9.1	28	5,447.2	30	42.99	12
New Mexico	8.0	14	6,684.1	46	75.95	48
New York	–	47	6,363.8	42	44.17	14
North Carolina	10.2	38	5,485.9	31	67.30	37
North Dakota	8.2	18	2,922.4	3	32.42	1
Ohio	9.9	35	4,843.4	19	56.86	30
Oklahoma	9.3	29	5,598.7	32	67.68	39
Oregon	7.0	7	5,646.0	33	52.44	22
Pennsylvania	9.4	31	3,476.1	5	46.55	16
Rhode Island	6.3	2	5,352.7	27	42.00	10
South Carolina	10.8	43	6,045.2	38	69.98	41
South Dakota	9.9	35	2,909.3	2	48.42	18
Tennessee	9.7	33	5,051.0	22	70.17	42
Texas	7.9	13	7,826.8	48	72.93	45
Utah	6.7	5	5,659.9	34	45.89	15
Vermont	6.5	3	4,340.9	13	35.74	4
Virginia	10.6	41	4,440.6	15	52.18	21
Washington	7.8	12	6,593.8	44	50.73	20
West Virginia	9.6	32	2,503.0	1	55.96	27
Wisconsin	8.1	17	4,395.1	14	41.87	9
Wyoming	8.0	14	4,210.6	11	50.48	19

Social Conditions

This indicator gauges aspects of a state's quality of life by examining factors related to the social conditions of adults and children.

Infant Mortality: Infant mortality correlates highly with the health and nutrition of the mother, which in turn, provides us with some insight about living conditions for families and the accessibility of prenatal care services.

Measure: Rate of infant (under one year) deaths per 100,000 live births, 1991.
Source: National Center for Health Statistics, "Monthly Vital Statistics Report," Hyattsville, MD, September 1991.

Crime Rate: The higher the crime rate – whether it affects people personally or not – the less safe people are likely to feel. This crime rate, drawing on FBI data, addresses the most serious crimes: murder, rape, robbery, assault, burglary, larceny, and motor vehicle theft.

Measure: FBI index, rate of serious crimes per 100,000 population, 1990.
Source: Department of Justice, *Crime in the United States, 1990* (Washington, DC: GPO, 1991).

Teen Pregnancy: Teenage pregnancies have soared in recent years, pointing to problems in family structure and in the inability of young mothers to gain the skills needed to be competitive workers in today's economy.

Measure: Birth rate per 1,000 females, aged 15–19, 1989.
Source: National Center for Health Statistics, "1990 Census of Population and Housing, Females 15–19," Population Division, Bureau of the Census, Washington, DC, January 1992. Calculations by CFED.

Environmental, Social & Health Data (part 3)

	Heart Disease		Cancer Cases		Infectious Disease	
State	Rate	Rank	Rate	Rank	Rate	Rank
Alabama	180.9	31	485	42	29	18
Alaska	159.4	15	218	1	120	50
Arizona	147.0	6	415	15	101	49
Arkansas	179.5	29	519	46	39	33
California	159.6	16	370	9	71	46
Colorado	142.4	3	313	3	36	26
Connecticut	161.1	19	481	40	34	24
Delaware	182.0	33	465	33	49	38
Florida	153.5	9	564	50	52	41
Georgia	182.3	34	395	11	43	37
Hawaii	149.3	7	316	4	41	35
Idaho	165.7	21	358	8	40	34
Illinois	188.5	41	455	28	32	23
Indiana	183.2	36	464	32	18	11
Iowa	160.8	18	472	36	12	3
Kansas	155.7	13	420	16	27	16
Kentucky	196.8	49	469	35	29	18
Louisiana	196.0	47	453	26	36	26
Maine	179.3	28	513	45	15	8
Maryland	179.8	30	439	25	51	40
Massachusetts	167.8	23	494	43	36	26
Michigan	194.5	46	430	20	24	15
Minnesota	145.6	5	405	12	13	5
Mississippi	196.5	48	459	30	30	21
Missouri	172.1	26	483	41	41	35
Montana	145.5	4	425	18	23	13
Nebraska	157.4	14	437	24	12	3
Nevada	191.8	43	408	14	57	43
New Hampshire	160.4	17	433	21	18	11
New Jersey	182.4	35	506	44	50	39
New Mexico	139.7	2	337	6	66	44
New York	191.3	42	472	36	68	45
North Carolina	181.6	32	433	21	34	24
North Dakota	124.4	1	454	27	10	1
Ohio	192.1	44	479	39	17	9
Oklahoma	184.0	37	467	34	37	29
Oregon	154.8	10	457	29	98	47
Pennsylvania	188.2	40	547	48	29	18
Rhode Island	169.9	25	528	47	31	22
South Carolina	193.7	45	407	13	38	31
South Dakota	167.5	22	460	31	11	2
Tennessee	184.4	39	476	38	37	29
Texas	167.8	23	347	7	53	42
Utah	149.9	8	226	2	38	31
Vermont	184.2	38	426	19	23	13
Virginia	176.4	27	420	16	28	17
Washington	155.6	12	392	10	100	48
West Virginia	213.1	50	558	49	13	5
Wisconsin	164.7	20	433	21	17	9
Wyoming	155.2	11	331	5	14	7

Health

"How healthy are the people in each state?" To begin to answer this question, we look at the burden disease and illness place on the overall health of a population.

Heart Disease

Measure: Death rate from coronary heart disease, three-year running average, age- and race-adjusted, per 100,000 population, 1986–1988.

Source: National Center for Health Statistics, Hyattsville, MD, as cited in Northwestern National Life Insurance Company, *The NWNL State Health Rankings: Results, Methodology and Discussion, 1991 Edition* (Minneapolis, Northwestern National Life Insurance Company, 1991).

Cancer Cases

Measure: Rate of projected cancer cases, all types (except some skin cancers) per 100,000 population, 1991.

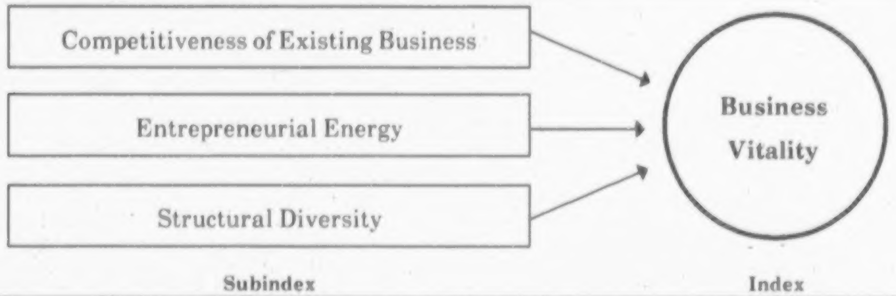
Source: American Cancer Society, *Cancer Facts and Figures – 1990* (Atlanta, GA: American Cancer Society, 1991), as cited in Northwestern National Life Insurance Company above.

Infectious Disease

Measure: Occurrence of AIDs, tuberculosis, and hepatitis, rate per 100,000 population, 1989.

Source: *Morbidity and Mortality Weekly Report*, January 5, 1990. Center for Disease Control, Atlanta, GA, as cited in Northwestern National Life Insurance Company above.

Business Vitality Index



The Business Vitality Index is determined by using eight measures gathered into three subindexes.

> *The Business Vitality Index evaluates the "product line" – the businesses that constitute a state's economy.*

Competitiveness of Existing Business Subindex

This subindex measures whether existing firms, especially those in traded sectors which bring income into the state, are strong and growing, need to be modernized, or are likely to be phased out. The four measures used are:

- *Traded Sector*
- *Change in Traded Sector Strength*
- *Business Closings*
- *Manufacturing Capital Investment*

Entrepreneurial Energy Subindex

The Entrepreneurial Energy subindex evaluates whether the new firms in a state's economy are growing and if they are being generated by all segments of the population. The four indicators are:

- *New Companies*
- *Change in New Companies*
- *New Small Business Job Growth*
- *Minority & Women Business Ownership*

Structural Diversity Subindex

Structural Diversity examines the economic base in the state economy to determine if it is sufficiently varied so the state can grow even if the market for products produced by one of its firm's changes. Two measures are used:

- *Sectoral Diversity*
- *Dynamic Diversity*

Data tables, measures, and sources for each subindex can be found on the pages that follow.

Competitiveness of Existing Business Data

	Traded Sector Strength		Change in Traded Sector Strength		Business Closings		Capital Investment	
State	$	Rank	$	Rank	%	Rank	%	Rank
Alabama	8,743	24	861	27	17.8	43	9.26	4
Alaska	11,149	5	1,856	3	20.5	49	8.18	9
Arizona	6,607	46	383	48	17.0	41	6.80	25
Arkansas	8,318	29	710	37	15.7	36	7.02	21
California	9,780	13	1,154	10	15.4	32	5.26	40
Colorado	8,280	31	1,112	13	12.9	14	5.53	37
Connecticut	13,274	1	1,120	12	12.8	12	5.15	42
Delaware	12,287	3	1,697	5	12.6	10	6.52	26
Florida	5,466	49	451	46	18.1	45	5.73	34
Georgia	8,762	23	697	38	17.6	42	6.83	24
Hawaii	6,723	45	933	23	13.3	17	5.84	32
Idaho	9,044	19	1,846	4	13.2	16	8.04	11
Illinois	10,260	8	781	33	11.3	4	6.93	23
Indiana	10,525	7	938	22	12.1	7	7.74	13
Iowa	8,888	20	1,385	7	11.6	6	5.53	37
Kansas	8,778	21	971	19	14.6	27	4.78	46
Kentucky	8,422	27	661	41	14.8	29	7.51	16
Louisiana	7,561	41	692	39	13.4	20	8.95	6
Maine	7,259	44	366	49	12.8	12	13.43	2
Maryland	7,613	40	1,238	8	18.8	48	6.52	26
Massachusetts	10,543	6	1,181	9	12.7	11	4.81	45
Michigan	11,708	4	823	29	13.9	22	7.96	12
Minnesota	9,615	14	1,073	17	12.4	9	7.10	19
Mississippi	7485	43	172	50	15.1	30	13.50	1
Missouri	8,152	32	717	36	13.3	17	4.33	48
Montana	5,460	50	887	26	14.4	24	6.30	29
Nebraska	8,767	22	1,139	11	13.7	21	5.02	44
Nevada	10,142	10	1,864	2	18.4	47	7.05	20
New Hampshire	9,551	15	603	43	17.9	44	5.93	31
New Jersey	12,484	2	1,087	15	13.3	17	4.78	46
New Mexico	6,088	48	890	25	15.1	30	8.09	10
New York	10,213	9	821	30	14.1	23	5.05	43
North Carolina	9,117	18	832	28	16.7	38	5.21	41
North Dakota	6,240	47	1,453	6	10.0	2	7.64	15
Ohio	9,861	11	554	45	11.4	5	6.17	30
Oklahoma	7,648	39	923	24	14.6	27	5.27	39
Oregon	7,860	35	624	42	15.4	32	7.21	18
Pennsylvania	9,165	16	801	32	12.9	14	5.73	34
Rhode Island	8,290	30	803	31	14.4	24	3.63	50
South Carolina	7,933	33	663	40	15.6	35	9.19	5
South Dakota	7,815	37	2,018	1	12.1	7	4.04	49
Tennessee	8,674	25	765	34	15.5	34	7.72	14
Texas	8,419	28	1,111	14	16.9	40	8.40	7
Utah	7,540	42	948	20	18.2	46	6.38	28
Vermont	7,922	34	726	35	14.5	26	12.36	3
Virginia	7,856	36	1,002	18	16.8	39	5.55	36
Washington	9,164	17	941	21	16.4	37	6.97	22
West Virginia	8,456	26	411	47	9.6	1	7.51	16
Wisconsin	9,824	12	1,075	16	10.8	3	5.78	33
Wyoming	7,814	38	581	44	20.8	50	8.37	8

Competitiveness of Existing Business Data Sources

How well a state is able to marshal resources and develop new technologies for producing goods and services, in expanding world markets, depends largely on its existing business. Four measures are used:

- *Traded Sector Strength*
- *Change in Traded Sector Strength*
- *Business Closings*
- *Manufacturing Capital Investment*

Traded Sector Strength

"Traded Sector" strength refers to firms which produce goods and services that are exported out of the state and, thus, bring income into the state. Traded sector businesses also strengthen state economies, even when they sell within the state, if their products or services displace imports from other states or nations.

Measure: Traded sector personal income (in dollars) per worker, 1990.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "State Personal Income Summary Tables 1990," Washington, DC, August 1991; U.S. Department of Labor, Bureau of Labor Statistics, "Employment and Wages: Annual Averages, 1990", Bulletin 23-93, Washington, DC, November 1991. Calculations by Mt. Auburn Associates.

Note: See the Appendix: *Traded Sector and Structural Diversity* for more information.

Change in Traded Sector Strength

This measure combines two effects: first, the mix of industries in a state and whether they are fast- or slow-growing on a national level, and, second, how a state's traded sector industries perform compared to those industries nationally. The period of change from 1988 to 1990 is measured to reflect more recent shifts in a state's economic base, beyond simple year to year variations.

Measure: Change (in dollars) in traded sector strength per worker, 1988–1990.

Source: Same as Traded Sector Strength.

Business Closings

Perhaps the most basic indicator of the competitiveness of the businesses in a state is simply whether businesses survive. The level of business closings in a state as reported by state employment security offices is measured.

Measure: Percentage rate of business closings from October 1990–September 1991.

Source: U.S. Department of Labor, Employment and Training Administration, prepared for the Office of Advocacy, U.S. Small Business Administration, 1991.

Note: "Closings" are businesses that either reported being out of business or reported no employment for two years.

Manufacturing Capital Investment

Quality and innovation create competitiveness and, therefore, business vitality. What drives innovation is the investments businesses make in people, products, and physical plants. Of these, the only investments that can currently be measured on a state-by-state basis are those in manufacturing machinery and equipment.

Measure: Investment in new and used machinery and equipment as a percentage of manufacturing value added, 1989.

Source: U.S. Department of Commerce, Bureau of the Census, *1989 Annual Survey of Manufacturers: Geographic Area Statistics* (Washington, DC: GPO, September 1991).

Entrepreneurial Energy Data

	New Companies		Change in New Co.		New Small Bus. Jobs		Min./Women Business	
State	#	Rank	%	Rank	%	Rank	Score	Rank
Alabama	4.9	37	-7	25	7.0	30	85	48
Alaska	9.7	3	-16	44	10.1	16	7	2
Arizona	5.6	26	-9	37	13.7	7	61	31
Arkansas	6.0	21	-3	11	6.6	35	58	28
California	10.2	2	1	7	9.8	18	35	14
Colorado	5.5	28	-24	47	13.0	10	11	3
Connecticut	5.1	35	-10	41	10.3	15	57	26
Delaware	9.6	4	63	2	5.3	48	65	35
Florida	8.3	6	-5	18	7.7	27	18	6
Georgia	6.9	12	-7	25	5.9	45	84	47
Hawaii	6.3	17	-9	37	6.6	35	43	19
Idaho	7.6	9	-6	20	14.1	6	23	8
Illinois	4.6	41	-12	42	4.1	49	73	38
Indiana	4.2	46	12	3	6.1	42	44	21
Iowa	3.9	48	-1	9	17.4	1	39	16
Kansas	5.2	33	-4	16	10.1	16	34	13
Kentucky	4.5	43	-6	20	6.3	39	60	29
Louisiana	4.9	37	-3	11	7.0	30	79	44
Maine	5.5	28	-20	46	10.4	14	28	11
Maryland	7.9	8	2	6	6.8	33	60	29
Massachusetts	4.4	44	-15	43	6.2	4	77	41
Michigan	3.7	5	-16	44	6.4	38	96	50
Minnesota	5.1	35	-1	9	8.5	23	40	17
Mississippi	4.8	39	-6	20	3.9	50	74	40
Missouri	5.2	33	-4	16	6.1	42	44	21
Montana	6.0	21	-8	35	14.5	5	27	10
Nebraska	4.8	39	-7	25	9.8	18	32	12
Nevada	8.5	5	3	5	7.8	26	65	35
New Hampshire	6.6	16	-7	25	9.8	18	14	5
New Jersey	6.0	21	-5	18	5.7	47	51	24
New Mexico	6.8	13	-6	20	12.5	11	26	9
New York	6.2	19	-9	37	6.5	37	61	31
North Carolina	5.7	25	-6	20	7.1	29	79	44
North Dakota	4.2	46	-7	25	15.6	4	47	23
Ohio	3.9	48	-3	11	6.0	44	77	41
Oklahoma	5.4	31	-3	11	8.1	24	51	24
Oregon	6.8	13	-42	50	11.8	12	19	7
Pennsylvania	4.6	41	-7	25	5.9	45	81	46
Rhode Island	13.6	1	117	1	7.2	28	77	41
South Carolina	5.4	31	-9	37	6.9	32	89	49
South Dakota	5.5	28	-7	25	16.4	2	57	26
Tennessee	5.8	24	-24	47	6.8	33	70	37
Texas	6.3	17	-3	11	13.1	9	41	18
Utah	6.7	15	8	4	9.6	21	43	19
Vermont	7.1	11	-8	35	13.2	8	5	1
Virginia	6.1	20	-7	25	8.8	22	62	34
Washington	8.2	7	-35	49	11.7	13	35	14
West Virginia	5.6	26	-7	25	8.0	25	61	31
Wisconsin	4.3	45	1	7	6.2	40	73	38
Wyoming	7.3	10	-7	25	15.9	3	11	3

Entrepreneurial Energy Data Sources

Entrepreneurial Energy – the ability of a state to produce new businesses – is a critical characteristic of a robust economic climate. The measures are:

- *New Companies*
- *Change in New Companies*
- *New Small Business Job Growth*
- *Minority & Women Business Ownership*

New Companies

New firms are defined as those that seek new account numbers from the State Employment Service. A weakness of any business formation rate is that it may include some existing firms that have simply changed owners. However, this problem is common to all states and introduces no bias that we can identify for or against any state.

Measure:	Number of companies applying for new employment service account numbers, per 100,000 workers, October 1990–September 1991.
Source:	U.S. Department of Labor, Employment and Training Administration, prepared for the Office of Advocacy, U.S. Small Business Administration, 1991.

Change in New Companies

This measure examines the trend in new company formations on a year-to-year basis.

Measure:	Percentage of change in companies applying for new employment service account numbers, from the year October 1989–September 1990 to the year October 1990–September 1991.
Source:	Same as New Companies.

New Small Business Job Growth

A good indicator of the impact of entrepreneurship in a state is the job growth associated with new small business births. Since most small businesses are independent firms, this measure gives a picture of the importance local entrepreneurs are making in a state economy through the creation of new jobs.

Measure:	Jobs resulting from business births of firms with less than 100 employees as a percentage of total jobs in a state, June 1989–July 1991.
Source:	U.S. Small Business Administration, Office of Advocacy, Small Business Data Base, USEEM file, 1992.

Minority & Women Business Ownership

Economies in which entrepreneurship is not widely distributed are missing out on sources of new economic growth. This measure focuses on minority and women owned businesses (sole proprietorships, partnerships, and Subchapter S corporations) with paid employees, measured in relation to population.

Measure.	Composite index score of minority-owned and women-owned businesses with paid employees, relative to minority and women populations in 1990.
Source:	U.S. Department of Commerce, Bureau of the Census, *1987 Economic Census: Women-Owned Businesses and Survey of the Minority-Owned Business Enterprises* (Washington, DC: GPO, 1990). Population figures for women and minorities from the 1990 Census. Calculations by CFED.

Note: See the Appendix: *Minority & Women Business Ownership* for further information on this measure.

Structural Diversity Data

	Sectoral Diversity		Dynamic Diversity	
State	Score	Rank	Score	Rank
Alabama	.03848	2	1.21	33
Alaska	.11814	47	52.68	49
Arizona	.05369	22	24.59	46
Arkansas	.05268	21	0.22	28
California	.04331	11	14.75	45
Colorado	.04081	7	-2.82	2
Connecticut	.07696	37	-0.96	15
Delaware	.21555	49	-1.13	13
Florida	.04094	8	11.85	44
Georgia	.04603	13	1.29	34
Hawaii	.08351	40	29.90	47
Idaho	.08410	41	3.54	37
Illinois	.04623	14	-0.47	22
Indiana	.05215	20	-0.82	16
Iowa	.06523	32	-1.39	8
Kansas	.05871	29	-1.19	11
Kentucky	.04345	12	-0.78	17
Louisiana	.05915	31	6.41	41
Maine	.06732	35	-2.39	3
Maryland	.05134	18	0.89	31
Massachusetts	.05558	24	0.37	29
Michigan	.13277	48	-1.84	6
Minnesota	.05168	19	-0.09	25
Mississippi	.04167	9	-2.02	4
Missouri	.04075	6	-1.37	9
Montana	.05887	30	-0.14	24
Nebraska	.08287	39	-0.72	19
Nevada	.28608	50	59.79	50
New Hampshire	.08103	38	0.03	27
New Jersey	.06565	33	-1.72	7
New Mexico	.04205	10	-9.89	1
New York	.05027	16	-0.63	21
North Carolina	.05043	17	-0.77	18
North Dakota	.09477	44	4.05	39
Ohio	.05422	23	-0.19	23
Oklahoma	.05770	26	3.41	35
Oregon	.05870	28	6.74	42
Pennsylvania	.03931	4	-1.13	13
Rhode Island	.05779	27	0.00	26
South Carolina	.06685	34	1.17	32
South Dakota	.11426	46	-1.94	5
Tennessee	.03852	3	0.78	30
Texas	.04840	15	-1.33	10
Utah	.03994	5	-0.65	20
Vermont	.06946	36	3.56	38
Virginia	.03567	1	-1.19	11
Washington	.08642	42	40.79	48
West Virginia	.11126	45	4.39	40
Wisconsin	.05659	25	3.51	36
Wyoming	.08766	43	8.85	43

Structural Diversity Data Sources

Two features of diversity are measured in this subindex: how diverse an economy looks with employment distributed across many industries, and how diverse an economy acts, so that when one industry is declining others are stable or growing. The two measures are:

- *Sectoral Diversity*
- *Dynamic Diversity*

Sectoral Diversity

One indication of diversity is the degree to which a state's traded sector is spread across a range of industries rather than concentrated in just a few.

Measure:	Score based on the Herfindahl Index, indicating the degree of industrial diversity within the state's traded sector, 1989.
Source:	U.S. Department of Commerce, Bureau of Economic Analysis, "State Personal Income Summary Tables," Washington, DC, August 1991. Calculations by Mt. Auburn Associates.

Note: A "0" score indicates perfect diversification; "1" indicates that the state is dependent on only one traded industry. See the Appendix: *Traded Sector & Structural Diversity* for more information on the Herfindahl Index and this measure.

Dynamic Diversity

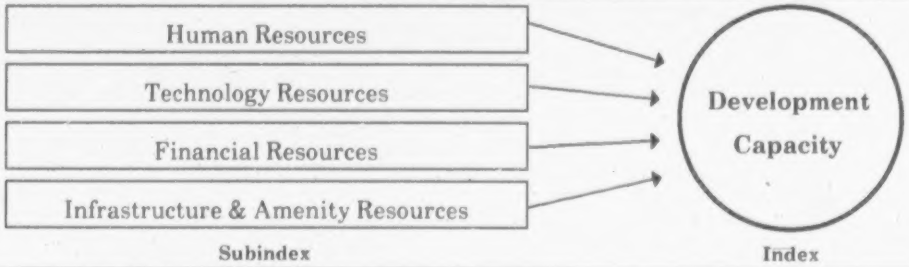
This measure examines the extent to which employment changes in a traded industry paralleled, or did not parallel, changes in other industries. The concept of dynamic diversity is easier to describe than it is to measure. For example, a booming economy (one in which all sectors are growing simultaneously) can appear to be poorly diversified, even if it is not, because all sectors are moving in the same direction at once. In addition, occasionally an economy will turn out, upon closer inspection, to be less diversified than the measure suggests, because while it has industry sectors that move in opposite directions, it has only a few of them.

Measure:	Index score indicating the degree to which the employment levels in a state's individual traded industries moved in concert with one another, 1984–1989.
Source:	U.S. Department of Commerce, Bureau of Economic Analysis, "State Employment Tables," Washington, DC, August 1991. Calculations by Mt. Auburn Associates.

Note: The lower the score, the greater the degree of dynamic diversity. See the Appendix: *Traded Sector & Structural Diversity* for more information on this measure.

Development
Capacity

Development Capacity Index



To assess Development Capacity, twenty-five measures were gathered into four subindexes.

> *The Development Capacity Index examines the underlying structure of a state's economy for a comprehensive picture of its competitive capacity.*

Human Resources Subindex

The Human Resources Subindex measures the education and skill levels of the state's workforce. The more skilled the people, the stronger and more lasting the structure of the economy they build. The four measures are:

- *High School Graduation*
- *Adult Illiteracy*
- *High School Education Attainment*
- *College Education Attainment*

Technology Resources Subindex

The Technology Resources subindex identifies the extent to which new technologies and technically-proficient institutions and individuals are available in a state by measuring six indicators:

- *Ph.D. Scientists & Engineers in the Workforce*
- *Science & Engineering Graduate Students*
- *Patents Issued*
- *University R & D*
- *Federal R & D*
- *SBIR Grants*

Financial Resources Subindex

This subindex focuses on the availability and patterns of use of capital to meet the full range of business finance needs. The seven measures are:

- *Commercial Bank Deposits*
- *Loans to Deposits*
- *Loans to Equity*
- *Commercial &Industrial Loans*
- *Commercial & Industrial Loans to Total Loans*
- *Venture Capital Investments*
- *SBIC Financings*

Infrastructure & Amenity Resources Subindex

Roads, bridges, sewer, power, housing and other basic economic building blocks are an essential part of the economic foundation of a state. To examine these areas, the following eight indicators are measured:

- *Highway Deficiency*
- *Bridge Deficiency*
- *Urban Mass Transit Passenger Miles*
- *Energy Cost*
- *Sewage Treatment Needs*
- *Urban Housing Cost*
- *Health Professional Shortage Areas*
- *Tourism Spending*

Data tables, measures, and sources for each subindex can be found on the pages that follow.

Human Resources Data

	High School Graduation		Adult Illiteracy		High School Education		College Education	
State	%	Rank	%	Rank	%	Rank	%	Rank
Alabama	64.66	43	13	31	63	50	14	48
Alaska	68.42	37	7	2	85	3	22	19
Arizona	72.53	30	12	25	81	10	24	11
Arkansas	76.74	23	15	40	67	44	15	46
California	68.16	39	14	33	79	18	26	8
Colorado	74.10	27	8	4	84	4	29	2
Connecticut	74.86	26	12	25	80	14	28	4
Delaware	68.49	36	11	17	77	23	20	30
Florida	61.14	48	15	40	77	23	21	24
Georgia	62.70	46	14	33	72	40	21	24
Hawaii	86.79	6	15	40	83	6	24	11
Idaho	79.38	13	8	4	77	23	17	41
Illinois	76.57	24	14	33	77	23	22	19
Indiana	75.02	25	11	17	77	23	15	46
Iowa	87.55	5	10	14	81	10	18	38
Kansas	81.99	11	9	9	82	8	23	16
Kentucky	69.05	35	15	40	67	44	16	44
Louisiana	56.67	50	16	47	68	43	19	34
Maine	77.79	16	11	17	77	23	18	38
Maryland	61.93	47	12	25	78	22	29	2
Massachusetts	76.92	22	11	17	79	18	30	1
Michigan	70.06	33	11	17	76	30	19	34
Minnesota	89.75	3	9	9	84	4	22	19
Mississippi	64.25	44	16	47	64	47	14	48
Missouri	72.21	31	12	25	75	33	22	19
Montana	83.30	10	8	4	81	10	21	24
Nebraska	85.54	8	9	9	81	10	20	30
Nevada	77.22	20	9	9	82	8	17	41
New Hampshire	74.01	29	9	9	80	14	27	6
New Jersey	79.82	12	14	33	76	30	26	8
New Mexico	68.21	38	14	33	76	30	21	24
New York	65.13	42	16	47	74	37	24	11
North Carolina	67.26	41	14	33	69	42	19	34
North Dakota	88.06	4	12	25	79	18	23	16
Ohio	74.04	28	11	17	75	33	18	38
Oklahoma	77.69	17	11	17	73	38	19	34
Oregon	71.65	32	8	4	80	14	22	19
Pennsylvania	79.08	14	12	25	75	33	20	30
Rhode Island	69.63	34	15	40	72	40	24	11
South Carolina	58.54	49	15	40	66	46	17	41
South Dakota	85.68	7	11	17	77	23	20	30
Tennessee	67.89	40	15	40	64	47	16	44
Texas	64.06	45	16	47	75	33	23	16
Utah	77.32	18	6	1	86	1	24	11
Vermont	91.65	2	10	14	80	14	27	6
Virginia	97.20	1	13	31	73	38	28	4
Washington	77.19	21	8	4	86	1	25	10
West Virginia	77.28	19	14	33	64	47	11	50
Wisconsin	84.22	9	10	14	79	18	21	24
Wyoming	78.57	15	7	2	83	6	21	24

Human Resources Data Sources

The skills of a state's workforce, and the extent to which those skills are adaptable to changing economic circumstances, are the most basic components of its human resource base. This subindex explores four educational measures:

- *High School Graduation*
- *Adult Illiteracy*
- *High School Education Attainment*
- *College Education Attainment*

High School Graduation

In any economy where the minimum qualification for most jobs being created is high school completion, a state's economic competitiveness will be directly affected by its ability to produce new entrants to the workforce who meet the basic test of work-readiness. Despite differences from state to state in the level of competence associated with high school education today, this measure is still the best baseline we have available to gauge the skill level of tomorrow's workforce.

Measure: High school graduates as a percent of Fall 1986 9th grade enrollment, 1989–1990.

Source: National Center for Education Statistics, Department of Education, "Number of Public High School Graduates, by State," December 1991.

Adult Illiteracy

We need to understand the skill level of a state's existing workforce to assess the capacity of its economy to compete. A state's competitiveness is directly related to the literacy levels of adults now in the workforce. Unfortunately, literacy requirements in today's workplace run well ahead of the measured data we have on adult literacy. Although we know a wide range of skills are needed to secure work in today's economy, the only comprehensive state-by-state literacy data available for this measure is the U.S. Department of Education's "English Language Proficiency Survey" from 1985.

Measure: Percentage of illiteracy among adult population, ages 18–64, 1985.

Source: Jack Brizius and Susan Foster, "Adult Literacy," *State Policy Reports*, November 9, 1987. From U.S. Department of Education estimates based on the "English Language Proficiency Survey," 1985.

High School Education Attainment

Another measure of the skill level of the state's existing workforce is how many of its citizens have already graduated from high school.

Measure: Percentage of heads of household with at least 12 years of education, 1987–1989.

Source: Sheldon Danziger and Jon Haveman, University of Michigan-Ann Arbor, 1990. Calculations based on merged U.S. Current Population Survey datatape from March 1988, 1989, and 1990.

College Education Attainment

In today's economy, knowledge is itself a traded commodity. The higher the percent of college educated individuals in the population, the greater the capacity of the state's economy to compete.

Measure: Percentage of heads of household with at least four years of college, 1987–1989.

Source: Same as High School Education Attainment.

Technology Resources Data (part 1)

	Ph.D. Scientists & Engineers		Science & Eng. Grad. Students		Patents Issued	
State	#	Rank	#	Rank	#	Rank
Alabama	2.06	40	1,280.94	31	90.10	41
Alaska	2.77	19	1,189.09	37	61.82	48
Arizona	2.27	34	1,870.03	9	201.09	18
Arkansas	1.25	50	643.40	49	62.98	47
California	3.32	9	1,778.93	12	266.50	8
Colorado	4.24	6	2,300.30	2	252.28	11
Connecticut	3.26	11	1,921.58	7	459.88	2
Delaware	11.76	1	1,958.21	4	647.76	1
Florida	1.31	49	903.94	47	147.30	26
Georgia	1.81	45	1,133.18	39	111.57	36
Hawaii	3.25	12	1,467.57	23	76.58	46
Idaho	2.90	17	1,361.39	27	190.10	21
Illinois	2.49	26	1,881.28	8	257.04	10
Indiana	1.98	41	1,543.68	22	189.35	22
Iowa	1.85	43	1,708.63	14	139.57	27
Kansas	1.82	44	1,808.47	10	132.26	31
Kentucky	1.40	48	929.54	45	84.01	43
Louisiana	2.30	33	1,041.94	41	119.91	33
Maine	2.39	28	547.15	50	91.87	40
Maryland	6.26	3	1,734.52	13	189.12	23
Massachusetts	5.36	4	3,235.05	1	351.33	4
Michigan	2.62	23	1,582.04	19	291.08	7
Minnesota	2.70	21	1,418.26	25	336.76	5
Mississippi	1.56	46	938.52	44	50.19	50
Missouri	2.33	31	1,233.40	34	137.11	28
Montana	2.64	22	1,267.50	33	90.00	42
Nebraska	2.38	29	1,398.73	26	93.04	38
Nevada	1.49	47	885.83	48	105.83	37
New Hampshire	1.97	42	993.69	42	295.50	6
New Jersey	4.17	7	1,430.79	24	402.85	3
New Mexico	8.04	2	1,794.08	11	134.87	29
New York	3.30	10	2,273.99	3	251.70	12
North Carolina	2.56	25	1,269.83	32	127.90	32
North Dakota	2.86	18	1,314.06	28	78.13	45
Ohio	2.61	24	1,643.04	16	251.61	13
Oklahoma	2.11	38	1,280.95	30	200.63	19
Oregon	2.76	20	1,285.92	29	225.35	16
Pennsylvania	2.91	16	1,564.56	20	237.88	15
Rhode Island	3.22	13	1,952.00	5	181.00	25
South Carolina	2.11	38	912.61	46	117.19	34
South Dakota	2.19	37	1,174.29	38	58.57	49
Tennessee	2.35	30	1,219.47	35	115.78	35
Texas	2.44	27	1,546.32	21	187.76	24
Utah	4.25	5	1,945.35	6	213.95	17
Vermont	3.20	14	1,123.21	40	258.93	9
Virginia	3.43	8	1,639.58	17	134.25	30
Washington	3.19	15	1,191.79	36	195.69	20
West Virginia	2.32	32	978.77	43	92.74	39
Wisconsin	2.22	36	1,698.77	15	248.67	14
Wyoming	2.24	35	1,631.11	18	82.22	44

Technology Resources Data Sources

The Technology Resources subindex examines the potential pool of innovators in a state and the pool of dollars devoted to research. The six measures which make up this subindex are:

- *Ph.D. Scientists & Engineers in the Workforce*
- *Science & Engineering Graduate Students*
- *Patents Issued*
- *University R & D*
- *Federal R & D*
- *Small Business Innovation Research Grants*

Ph.D. Scientists & Engineers in the Workforce

The larger the potential pool of innovators in a state, the greater the likelihood that the capacity for innovation will become reality.

Measure:	Number of post doctoral scientists and engineers per 1,000 workers, 1989.
Source:	National Science Foundation, Division of Science Resource Studies "Doctoral Scientists and Engineers," Washington, DC, 1989.

Science & Engineering Graduate Students

This measure indicates how extensive science training is in a state, not how many degree recipients actually stay in the state after completing their education. Nevertheless, the history of industrial innovation indicates that new businesses are spawned, more often than not, in the same place entrepreneurs received their degrees.

Measure:	Number of science and engineering graduate students in doctorate-granting institutions, per one million population, 1990.
Source:	J.G. Huckenpohler (Principal Author). "Academic Science/Engineering: Graduate Enrollment and Support, Fall 1990," National Science Foundation, Surveys of Science Resources Series, NSF 90-320, Washington, DC, 1990.

Patents Issued

This measure aims to capture the rate of innovation in a state. It is imperfect in that patents generally are issued at the location of the company headquarters, not necessarily at the location of the lab where the innovation is developed.

Measure:	Number of patents issued per one million population, 1990.
Source:	U.S. Patent & Trademark Office, Office of Information Systems. "Patent Counts by Country/State and Year, January 1963-December 1990." A Technology Assessment and Forecast Report, Arlington, VA, March 1991.

Technology Resources Data (part 2)

	University R&D		Federal R&D		SBIR Grants	
State	$	Rank	$	Rank	$	Rank
Alabama	59.29	26	407.55	7	3.24	17
Alaska	119.21	3	129.67	23	0.29	43
Arizona	70.99	13	136.74	21	2.35	22
Arkansas	20.79	48	24.26	48	0.75	36
California	67.45	17	534.92	3	8.07	5
Colorado	75.87	11	491.18	4	7.13	7
Connecticut	90.68	6	181.54	15	10.92	3
Delaware	60.22	25	47.86	43	5.13	10
Florida	33.50	43	175.44	17	2.13	23
Georgia	68.69	16	60.59	36	0.81	34
Hawaii	69.05	15	87.89	27	0.89	32
Idaho	36.32	42	194.59	13	0.39	40
Illinois	56.68	28	79.53	30	1.45	28
Indiana	43.41	37	70.79	33	0.72	37
Iowa	83.60	7	68.76	34	0.65	39
Kansas	46.28	35	51.99	42	0.20	46
Kentucky	24.66	47	19.82	50	0.16	47
Louisiana	49.06	32	42.55	45	0.69	38
Maine	19.22	50	55.14	39	1.91	24
Maryland	204.45	1	1,014.10	2	8.50	4
Massachusetts	149.39	2	479.11	5	24.44	1
Michigan	56.70	27	73.82	32	1.22	29
Minnesota	66.75	19	136.52	22	3.48	15
Mississippi	33.12	44	77.23	31	0.08	48
Missouri	54.94	29	242.70	12	0.84	33
Montana	43.78	36	45.35	44	1.13	30
Nebraska	66.76	18	32.45	47	0.37	41
Nevada	31.87	45	355.70	9	2.42	21
New Hampshire	62.86	23	88.31	26	5.49	9
New Jersey	41.37	40	170.82	18	3.39	16
New Mexico	100.28	5	1,465.53	1	12.65	2
New York	78.41	10	161.42	20	2.99	18
North Carolina	66.66	20	84.90	29	1.79	26
North Dakota	46.91	34	52.05	41	0.31	42
Ohio	42.15	38	178.74	16	1.91	24
Oklahoma	41.53	39	37.37	46	0.76	35
Oregon	60.36	24	59.26	37	3.61	13
Pennsylvania	69.82	14	165.12	19	2.82	19
Rhode Island	82.35	8	313.00	10	2.70	20
South Carolina	39.37	41	63.85	35	0.07	49
South Dakota	20.61	49	21.54	49	0.00	50
Tennessee	47.59	33	118.11	24	3.54	14
Texas	66.16	21	187.75	14	1.74	27
Utah	108.59	4	300.57	11	7.85	6
Vermont	80.25	9	106.77	25	5.03	11
Virginia	51.97	30	448.96	6	6.46	8
Washington	64.14	22	362.93	8	4.51	12
West Virginia	26.18	46	57.98	38	0.21	44
Wisconsin	74.28	12	53.88	40	0.99	31
Wyoming	50.33	31	84.96	28	0.21	44

University Research & Development

This measure gives us a sense of the scale of research and development spending at universities in each state and, indirectly, the research and development capacity to generate technology-related business development.

Measure:	Research and development expenditures at doctorate-granting institutions, dollars per capita, October 1989–September 1990.
Source:	Marge Machen (Principal Author), "Selected Data on Academic Science/Engineering R&D Expenditures, FY 1990," National Science Foundation, Division of Science Resource Studies Series. Universities and Colleges Studies Group, NSF 91-318, Washington, DC, October 1991.

Federal Research & Development

There is a correlation between federal R&D spending and new business spinoffs. However, the relationship varies significantly, depending upon what kind of research is underway. In states where much of the federal research is classified, the problem of getting the results "over the fence" and into the state economy can be considerable.

Measure:	Federal obligations for research and development, dollars per capita, October 1988–September 1989.
Source:	National Science Foundation, Division of Science Resource Studies, *Federal Funds for Research and Development: Fiscal Years 1989, 1990 and 1991*. Volume XXXIX, NSF 90-227, Detailed Statistical Tables (Washington, DC: National Science Foundation, 1991).

Small Business Innovation Research (SBIR) Grants

Study after study reveals that small businesses drive innovation and are more efficient innovators than large firms. The federal government recognizes the importance of small business in overall industrial research and development by requiring that all federal agencies with annual R&D budgets of over $100 million set aside 1.25% of these funds to assist small businesses. The level of SBIR grants in a state indicates how technologically sophisticated a state's business base is.

Measure:	SBIR grants awarded (in dollars) per worker, October 1989–September 1990.
Source:	U.S. Small Business Administration, Office of Innovation, Research and Technology, *Small Business Innovation Development Act: Eighth Year Results* (Washington, DC: SBA, July 1991).

Financial Resources Data (part 1)

	Commercial Bank Dep.		Loans to Deposits		Loans to Equity		C & I Loans		C & I Tot. Loans	
State	$	Rank	Ratio	Rank	Ratio	Rank	$	Rank	%	Rank
Alabama	8,015.10	32	73.19	33	7.32	33	3,470	17	25.79	15
Alaska	6,104.75	48	60.12	41	6.01	41	3,020	28	35.73	2
Arizona	8,052.90	31	75.66	28	7.57	28	2,010	46	14.69	47
Arkansas	8,250.43	27	58.00	42	5.80	42	2,150	42	20.22	38
California	8,338.31	25	93.56	8	9.36	8	3,850	12	22.93	29
Colorado	6,571.65	45	61.69	38	6.17	38	1,690	49	21.12	34
Connecticut	8,878.86	21	74.60	30	7.46	30	3,390	20	26.40	13
Delaware	48,696.66	1	160.01	1	16.00	1	8,890	2	5.86	50
Florida	8,965.54	19	74.19	31	7.42	31	2,140	44	14.92	46
Georgia	8,071.34	30	82.72	18	8.27	17	3,670	16	25.79	15
Hawaii	13,026.91	4	77.39	23	7.74	23	5,580	8	26.12	14
Idaho	6,950.60	43	85.95	14	8.60	13	3,150	23	24.39	22
Illinois	11,698.03	5	75.26	29	7.53	29	6,530	3	36.70	1
Indiana	8,600.69	23	76.00	27	7.60	27	3,100	25	22.98	28
Iowa	10,628.49	8	57.41	44	5.74	44	2,390	36	20.17	39
Kansas	10,297.22	11	57.60	43	5.76	43	2,710	31	22.90	30
Kentucky	8,698.71	22	76.60	26	7.66	26	3,410	19	23.09	27
Louisiana	7,719.82	36	55.82	47	5.58	47	2,540	33	24.59	21
Maine	6,167.36	47	83.30	16	8.33	16	2,150	42	20.51	36
Maryland	9,094.89	18	82.73	17	8.27	17	2,790	30	18.77	42
Massachusetts	10,387.47	10	84.85	15	8.48	15	5,970	5	33.53	4
Michigan	8,012.32	33	77.62	22	7.76	22	4070	11	29.80	9
Minnesota	9,769.74	15	76.89	25	7.69	25	4,420	10	30.76	6
Mississippi	7,320.47	40	60.47	40	6.05	40	2,260	39	21.75	31
Missouri	10,295.80	12	69.14	35	6.91	35	3,420	18	23.33	26
Montana	7,643.93	37	61.43	39	6.14	39	2,550	32	25.74	17
Nebraska	11,028.92	7	64.69	36	6.47	36	2,430	35	17.70	43
Nevada	7,385.39	39	102.92	3	10.29	3	2,230	41	14.58	48
New Hampshire	7,039.02	42	86.57	12	8.66	11	1,620	50	14.29	49
New Jersey	10,094.13	13	74.10	32	7.41	32	3,840	13	25.55	19
New Mexico	6,886.70	44	56.28	45	5.63	45	1,830	48	20.41	37
New York	14,370.23	3	97.15	4	9.72	4	10,400	1	34.07	3
North Carolina	7,990.44	35	95.86	6	9.59	6	4,560	9	29.32	10
North Dakota	10,045.38	14	56.13	46	5.61	46	2,480	34	21.46	33
Ohio	8,169.18	28	86.59	11	8.66	11	3,820	14	25.53	20
Oklahoma	7,502.39	38	51.59	50	5.16	50	1,990	47	23.75	24
Oregon	7,041.77	41	85.97	13	8.60	13	3,690	15	30.27	7
Pennsylvania	11,065.43	6	80.48	20	8.05	20	5,670	7	29.91	8
Rhode Island	10,518.94	9	97.14	5	9.71	5	6,200	4	29.20	11
South Carolina	5,414.58	50	88.82	9	8.88	9	2,050	45	20.11	40
South Dakota	15,704.13	2	119.37	2	11.94	2	5,700	6	15.08	45
Tennessee	8,119.75	29	70.19	34	7.02	34	2,870	29	23.49	25
Texas	8,274.76	26	53.35	48	5.34	48	3,110	24	32.81	5
Utah	5,947.26	49	82.03	19	8.20	19	2,300	37	20.75	35
Vermont	9,215.82	16	88.58	10	8.86	10	3,040	27	19.54	41
Virginia	8,894.80	20	79.80	21	7.98	21	3,090	26	21.52	32
Washington	6,493.52	46	94.82	7	9.48	7	3,220	22	25.60	18
West Virginia	8,372.55	24	63.30	37	6.33	37	2,270	38	16.93	44
Wisconsin	7,999.84	34	77.19	24	7.72	24	3,250	21	26.67	12
Wyoming	9,105.22	17	52.48	49	5.25	49	2,240	40	24.28	23

Financial Resources Data Sources

This subindex provides a general picture of the financial capacity of a state – focusing primarily on its commercial banks, using seven measures:

- *Commercial Bank Deposits*
- *Loans to Deposits*
- *Loans to Equity*
- *C & I Loans*
- *C & I Loans to Total Loans*
- *Venture Capital Investments*
- *SBIC Financings*

Commercial Bank Deposits

Since deposits form the base from which banks invest, this measure provides a basic indicator of capital availability within a state. The higher the level of deposits, adjusted for population size, the more dollars available to lend.

Measure: Commercial bank deposits, dollars per capita, 2nd Quarter, 1991.

Source: Federal Deposit Insurance Corporation, Division of Research, Washington, DC, 1991. Calculations by CFED.

Note: Figures refer only to domestic bank activities in the U.S.

Loans to Deposits

Another indicator of how aggressive a bank is emerges by examining the ratio of a bank's loans to its deposits. Deposits represent the major resource base upon which banks are able to lend funds. The degree to which banks actually lend deposits, versus investing them in other vehicles like bonds, is a key factor in evaluating their overall aggressiveness.

Measure: Ratio of commercial banks' total loans and leases to total bank equity, 2nd Quarter, 1991.

Source: Same as Commercial Bank Deposits.

Loans to Equity

Equity is the original investment of the bank's founders plus any accumulated undistributed earnings. The more aggressive the bank, the more this base is leveraged as loans. This measure is designed to indicate how aggressive commercial banks are at using their resources to further business investments and expansions in the state.

Measure: Ratio of commercial banks' total loans to total deposits, 2nd Quarter, 1991.

Source: Same as Commercial Bank Deposits.

Commercial & Industrial (C & I) Loans

To measure how well financial institutions are serving businesses, we first take the total of their commercial and industrial loans, and divide by the number of nonagricultural employees in the state to adjust for differences in the size of their commercial and industrial sectors. One weakness with this measure is that a bank can make loans to businesses located outside that state and such loans cannot be separated out of this measure.

Measure: Commercial and industrial loans, dollars per worker on nonagricultural payrolls, 2nd Quarter, 1991.

Source: Same as Commercial Bank Deposits.

Commercial & Industrial (C & I) Loans to Total Loans

Another indication of how well commercial banks are serving businesses is the extent to which their total loans go to commercial and industrial concerns, versus housing and consumer purposes.

Measure: Commercial and industrial loans as a percent of total loans of commercial banks, 2nd Quarter, 1991.

Source: Same as Commercial Bank Deposits.

Financial Resources Data (part 2)

	Venture Capital Investments		SBIC Financings	
State	$	Rank	$	Rank
Alabama	1.00	37	5.24	14
Alaska	0.00	40	0.41	39
Arizona	33.30	5	2.19	27
Arkansas	0.00	40	1.17	34
California	51.60	3	5.03	15
Colorado	29.60	6	3.21	23
Connecticut	39.30	4	7.57	8
Delaware	10.10	18	69.36	1
Florida	3.50	28	7.72	7
Georgia	2.50	32	1.03	36
Hawaii	0.00	40	0.00	44
Idaho	0.00	40	0.00	44
Illinois	7.10	22	5.38	13
Indiana	2.80	30	0.82	37
Iowa	0.70	38	1.30	33
Kansas	7.20	21	4.50	16
Kentucky	0.10	39	0.26	42
Louisiana	0.00	40	0.41	39
Maine	2.90	29	17.50	3
Maryland	9.70	19	9.22	6
Massachusetts	72.40	2	9.97	5
Michigan	2.40	34	2.66	25
Minnesota	19.20	10	7.37	9
Mississippi	3.90	26	1.37	32
Missouri	2.10	35	3.39	22
Montana	3.70	27	0.00	44
Nebraska	0.00	40	0.29	41
Nevada	2.60	31	0.00	44
New Hampshire	27.10	8	2.65	26
New Jersey	28.30	7	4.36	19
New Mexico	0.00	40	0.23	43
New York	4.50	24	5.85	12
North Carolina	7.90	20	1.05	35
North Dakota	0.00	40	0.00	44
Ohio	2.50	32	3.79	21
Oklahoma	4.00	25	4.09	20
Oregon	18.10	11	1.51	31
Pennsylvania	11.70	16	1.69	29
Rhode Island	145.70	1	32.17	2
South Carolina	5.90	23	4.38	18
South Dakota	0.00	40	12.07	4
Tennessee	14.70	12	6.15	11
Texas	12.10	15	6.80	10
Utah	10.40	17	1.76	28
Vermont	1.40	36	0.00	44
Virginia	14.60	13	2.99	24
Washington	19.40	9	1.64	30
West Virginia	0.00	40	0.49	38
Wisconsin	12.60	14	4.39	17
Wyoming	0.00	40	0.00	44

Venture Capital Investments

Venture capital firms provide early-stage capital for businesses with high growth potential and, as a consequence, can be instrumental in the formation and expansion of growth industries. Active venture capital participation in a state is an indicator of a rapidly developing economy and multiple investment opportunities. It is useful to note here that the venture capital industry, despite the fact that it has grown sharply in recent years, is still quite small and focused in only a handful of states. This year we measure the amount of venture capital disbursements made in a state, adjusted by the state's population.

Measure:	Private venture capital fund disbursements, dollars per worker, 1990.
Source:	Venture Economics, Inc. *Venture Capital Yearbook 1991* (Needham, MA: Venture Economics, Inc., 1991).

Small Business Investment Company (SBIC) Financings

SBICs are federally licensed investment companies that target financing to economically and socially disadvantaged entrepreneurs. SBICs offer hard-to-find, patient, growth-oriented capital in the form of long-term loans, equity, or convertible debt. In exchange for a pledge to invest exclusively in small businesses, SBICs qualify for federal Small Business Administration guarantees. In 1990, SBICs provided more than a half billion dollars in venture financing.

Measure:	SBIC financings in a state, dollars per worker, 1990.
Source:	U.S. Small Business Administration, Office of Investment, Tables 11 and 12 of SBIC Program Statistical Package, November 1991.

Infrastructure & Amenity Resources Data (part 1)

	Highway Deficiency		Bridge Deficiency		Urban Mass Transit Miles		Energy Cost	
State	%	Rank	%	Rank	Miles	Rank	¢	Rank
Alabama	15.5	40	41.51	32	16.29	41	5.58	14
Alaska	15.6	41	25.74	8	62.11	23	8.61	42
Arizona	23.5	46	12.69	1	114.11	11	7.75	40
Arkansas	13.1	32	25.31	6	11.83	44	6.70	33
California	10.6	23	29.98	14	119.72	10	8.82	43
Colorado	7.2	16	38.88	27	94.42	13	5.85	20
Connecticut	3.6	8	48.62	40	52.03	25	9.17	49
Delaware	12.0	29	31.22	17	34.61	32	6.37	28
Florida	56.6	50	26.14	10	65.48	22	7.06	36
Georgia	11.0	26	30.65	15	160.82	8	6.49	30
Hawaii	10.4	21	49.19	43	421.15	2	9.02	45
Idaho	27.7	49	27.05	11	19.56	38	3.78	2
Illinois	3.3	7	31.44	18	177.69	6	7.00	34
Indiana	13.2	33	36.09	24	28.06	34	5.58	14
Iowa	2.9	6	34.30	21	17.32	39	5.91	21
Kansas	14.8	39	39.70	30	6.94	47	6.58	32
Kentucky	11.9	28	48.04	39	74.82	17	4.82	7
Louisiana	13.9	37	48.70	41	81.44	16	5.97	23
Maine	13.6	35	39.58	28	15.15	42	7.64	38
Maryland	5.4	12	38.58	26	206.49	4	6.30	27
Massachusetts	10.1	19	56.90	48	298.84	3	8.83	44
Michigan	10.8	25	39.96	31	66.86	19	7.02	35
Minnesota	2.2	2	25.36	7	94.12	14	5.32	9
Mississippi	22.9	45	48.71	42	9.40	45	6.10	26
Missouri	10.7	24	53.45	46	57.25	24	6.52	31
Montana	17.3	43	25.92	9	23.68	36	3.96	3
Nebraska	13.6	35	44.45	36	37.11	30	5.55	13
Nevada	12.7	31	23.50	5	51.11	26	5.39	10
New Hampshire	25.2	47	42.52	33	3.37	49	9.06	46
New Jersey	11.4	27	50.75	44	66.28	21	9.11	47
New Mexico	7.7	18	18.37	2	29.99	33	7.29	37
New York	2.5	4	70.51	50	683.37	1	9.35	50
North Carolina	5.4	12	43.78	35	15.11	43	6.43	29
North Dakota	1.8	1	43.18	34	6.36	48	5.74	18
Ohio	7.5	17	35.44	23	73.84	18	5.94	22
Oklahoma	6.1	14	47.65	38	16.80	40	5.61	16
Oregon	14.2	38	27.33	13	48.43	27	4.17	4
Pennsylvania	17.2	42	47.52	37	168.14	7	7.64	38
Rhode Island	26.8	48	53.59	47	66.78	20	9.14	48
South Carolina	2.5	4	22.51	3	22.84	37	5.64	17
South Dakota	12.1	30	37.77	25	7.71	46	6.06	25
Tennessee	13.5	34	39.64	29	35.99	31	5.24	8
Texas	5.0	10	30.78	16	91.44	15	5.77	19
Utah	3.6	8	27.27	12	113.01	12	5.49	12
Vermont	6.2	15	51.28	45	38.53	29	8.10	41
Virginia	10.4	21	35.01	22	45.27	28	6.04	24
Washington	2.3	3	31.52	19	203.44	5	3.48	1
West Virginia	19.1	44	58.74	49	24.40	35	4.73	6
Wisconsin	10.2	20	32.77	20	127.98	9	5.40	11
Wyoming	5.2	11	23.02	4	0.00	50	4.22	5

Infrastructure & Amenity Resources Data Sources

Physical infrastructure and amenities form the basic foundation upon which businesses build, and are crucial to attracting and keeping the employees that businesses need to be competitive. Eight measures are used to evaluate this subindex:

- *Highway Deficiency*
- *Bridge Deficiency*
- *Urban Mass Transit Passenger Miles*
- *Energy Cost*
- *Sewage Needs*
- *Urban Housing Cost*
- *Health Professional Shortage Areas*
- *Tourism Spending*

Highway Deficiency

In an economy where most goods are transported by truck, highway conditions are not just a measure of state infrastructure capacity; they are a fundamental measure of competitiveness as well. This year we measure the percent of rural and urban interstate mileage with poor serviceability ratings.

Measure: Percentage of interstate highway mileage rated in poor condition – all systems, 1989.

Source: U.S. Congress, House, *The Status of the Nation's Highways and Bridges: Conditions and Performance, 1991*. Report of the Secretary of Transportation to the U. S. Congress, 102nd Congress, 1st Session (Washington, DC: GPO, July 1991).

Bridge Deficiency

The percent of deficient bridges that receive federal aid is measured.

Measure: Percentage of bridges on and off federal aid system rated as deficient, 1990.

Source: *Highway Bridge Replacement and Rehabilitation Program, 1991*. Tenth Report of the Secretary of Transportation to the U.S. Congress, 102nd Congress, 1st Session (Washington, DC, GPO, 1991).

Urban Mass Transit Passenger Miles

The extent of mass transit usage is an important asset for ensuring workforce mobility and overall transportation capacity. We measure the total passenger miles traveled as an indicator of both the capacity and use of a state's urban mass transit system.

Measure: Weighted measure of urban public mass transit systems' carrying capacity, passenger miles per capita, 1990.

Source: *1991 Transit Operating and Financial Statistics*, American Public Transit Association (Washington, DC: 1991).

Energy Cost

Electrical energy continues to increase in importance as economies become more technology-intensive. Moreover, energy costs vary substantially from state to state and affect both business costs and living costs.

Measure: Average cost (in cents) of electricity per kilowatt hour, 1990.

Source: Edison Electric Institute, *1990 Statistical Yearbook of the Electric Utility Industry* (Washington, DC: November 1991).

Infrastructure & Amenity Resources Data (part 2)

	Sewage Needs		Urban Housing		Health Prof. Shortage		Tourism Spending	
State	$	Rank	%	Rank	#	Rank	$	Rank
Alabama	121.04	18	23.66	2	85.97	39	701.58	41
Alaska	174.55	27	28.27	26	117.78	43	2,113.45	3
Arizona	144.96	22	31.53	35	3.06	2	1,125.75	15
Arkansas	89.36	13	26.38	13	78.56	37	798.98	35
California	178.26	29	35.50	43	43.23	24	1,161.29	13
Colorado	36.78	3	28.09	23	28.75	11	1,539.15	6
Connecticut	386.32	44	31.94	37	17.70	5	600.79	46
Delaware	76.12	8	28.77	27	17.87	6	945.22	27
Florida	307.03	38	31.73	36	53.82	30	1,740.02	5
Georgia	91.82	14	27.29	19	79.89	38	1,325.88	10
Hawaii	183.78	30	45.45	50	2.51	1	4,312.34	2
Idaho	44.55	5	32.89	39	146.39	48	1,024.26	20
Illinois	221.52	35	29.58	30	67.29	35	963.81	26
Indiana	269.31	36	25.85	10	37.28	18	578.36	49
Iowa	127.34	19	29.00	29	37.91	20	758.96	39
Kansas	191.94	32	26.85	16	13.55	4	748.19	40
Kentucky	307.05	39	24.20	4	55.82	31	821.57	34
Louisiana	207.58	34	27.76	20	113.79	42	928.03	29
Maine	187.80	31	37.77	47	45.37	27	939.76	28
Maryland	129.29	20	28.84	28	27.85	10	792.55	37
Massachusetts	913.62	50	38.21	48	30.86	13	792.69	36
Michigan	318.82	40	22.85	1	44.50	25	655.89	43
Minnesota	101.60	15	30.31	31	19.33	7	1,065.78	17
Mississippi	154.09	23	28.14	24	132.62	45	652.18	44
Missouri	137.89	21	24.82	5	51.75	29	1,120.72	16
Montana	38.75	4	34.08	40	94.20	40	1,343.38	8
Nebraska	60.13	7	26.81	15	36.66	16	852.03	33
Nevada	80.00	10	38.72	49	59.43	33	7,416.83	1
New Hampshire	608.11	48	37.47	46	20.04	8	765.95	38
New Jersey	412.68	45	34.80	41	9.02	3	1,015.27	22
New Mexico	52.63	6	32.68	38	171.86	50	1,142.89	14
New York	658.92	49	27.93	22	32.90	15	985.00	24
North Carolina	175.87	28	24.93	6	57.76	32	1,028.60	19
North Dakota	23.44	2	30.64	32	157.15	49	1,017.81	21
Ohio	279.63	37	24.07	3	37.38	19	589.25	48
Oklahoma	85.08	12	26.89	17	38.28	21	980.32	25
Oregon	347.89	41	31.34	34	70.84	36	920.56	30
Pennsylvania	119.36	17	27.79	21	21.29	9	660.05	42
Rhode Island	361.00	42	35.45	42	51.42	28	450.70	50
South Carolina	78.51	9	26.21	12	96.16	41	1,030.06	18
South Dakota	81.43	11	28.16	25	145.06	47	904.00	31
Tennessee	164.96	26	25.42	7	61.74	34	1,319.30	11
Texas	196.35	33	25.63	8	44.70	26	989.30	23
Utah	163.95	25	27.05	18	36.87	17	1,241.74	12
Vermont	373.21	43	36.73	45	30.33	12	1,332.68	9
Virginia	117.61	16	25.83	9	32.62	14	1,352.86	7
Washington	433.88	46	30.84	33	41.41	22	859.47	32
West Virginia	453.07	47	26.10	11	137.85	46	592.74	47
Wisconsin	163.19	24	26.61	14	42.31	23	630.00	45
Wyoming	13.33	1	35.79	44	125.07	44	1,918.22	4

Sewage Needs

Without adequate sewage treatment facilities, existing businesses are constrained from growth and new businesses must seek other sites which can handle their sewage needs.

Measure: Estimated backlog of unmet needs for sewage treatment plants, dollars per capita, 1989.

Source: U.S. Environmental Protection Agency, *Assessment of Needed Publicly Owned Wastewater Treatment Facilities in the United States: 1988 Needs Survey.* Report to 101st Congress, 1st session, February 1989, NTISPB89-189633.

Urban Housing Cost

Many areas of the nation face shortages of available housing that threaten to constrain development prospects, particularly in urban areas. However, no adequate state-by-state assessment of housing capacity is available at the present time: We assume a direct relationship between availability and cost, that is, the higher the demand for housing, the higher the cost

Measure: Weighted annual average of fair market rent schedules for a standard two-bedroom unit of housing, metropolitan areas (1991), as a percent of per capita income (1989).

Source: U.S. Department of Housing and Urban Development, "Fair Market Schedules for Use in the Existing Housing Certificate Program," *Federal Register*, September 26, 1991; Department of Commerce, Bureau of Economic Analysis, 1991.

Health Professional Shortage Areas

We measure the availability of health services in a state by the proportion of a state's population that resides in *Health Manpower Shortage Areas*, a federal designation that indicates an area is under-served by primary medical practitioners for either economic or geographic reasons. While this measure is not complete because it depends on the area or state applying for such designation, it offers a more direct way to measure the availability of health services to a state's residents than simply counting the number of doctors in a state.

Measure: State population without primary care within ready economic and geographic reach, per thousand population, 1990.

Source: U.S. Department of Health and Human Services, HPSA, "Health Professional Shortage Areas, Designated HPSA Summary Listing," Washington, DC, June 30, 1991.

Tourism Spending

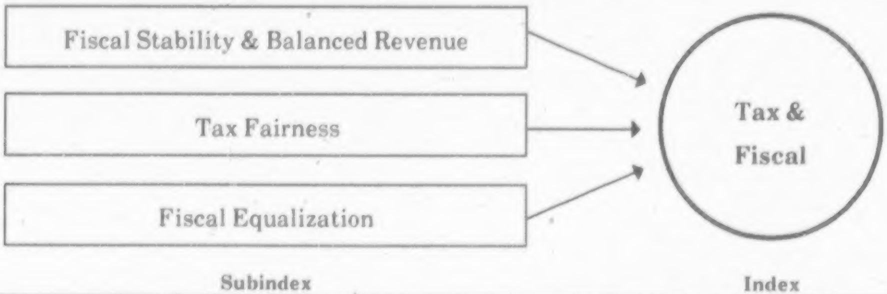
Another way to understand whether "this is a good place to live" is to observe people's behavior, specifically observing the amount people spend to participate in recreation and tourism activities in a state. While this is an indirect measure ranging from amusement parks to campsites, it has the advantage of revealing how people value the amenities in a state.

Measure: U.S. domestic travel-generated entertainment and recreation receipts, dollars per capita, 1989.

Source: U.S. Travel Data Center, *Impact of Travel on State Economies, 1989* (Washington, DC: U.S. Travel Data Center, May 1991).

Tax & Fiscal System

Tax & Fiscal System Index



Despite the tendency of state and local governments to use tax abatements and tax incentives to entice out-of-state businesses to relocate or to encourage new business investments in their state, recent research shows that these inducements have little impact on business decisions. Public sectors too often subsidize businesses for activities they would have undertaken without tax breaks. Other factors, such as proximity to markets or access to skilled workers, are more important to employers and generally overwhelm whatever advantages may be created by tax differentials. Still, this does not mean that a state's tax and fiscal environment does not affect the economic environment. On the contrary, three aspects are vital: Fiscal Stability and Balanced Revenue Sources, Tax Fairness, and Fiscal Equalization.

Fiscal Stability & Balanced Revenue Sources

Although impossible to define, the "best" tax and fiscal environment for a state would have several identifiable and widely-recognized characteristics. The first: major taxes are balanced – no individual tax is unduly burdensome, and all taxes, taken together, help insulate revenues from recession and economic shocks to the extent possible. The second: the tax system – when combined with a fiscal system in which prudent controls guard against wide swings in tax levels and the quality of services – permits the state to provide businesses the assurances they need to make long-term investments.

Tax Fairness

It is occasionally argued that an equitably distributed tax system is antithetical to a good business climate – especially when a state is able to lure branch plants and other footloose facilities by using special tax breaks. But if state and local governments are to be creditable, citizens and businesses already operating in the state must be convinced that the taxes they pay are fair, and that one individual or company is not benefitting at the expense of another.

Fiscal Equalization

State policies to promote fiscal capacity among local governments are essential to a sound business climate. Such policies assure that all communities have an equal ability to provide an adequate level and quality of public service to firms and individuals.

It is also important for residents and businesses in a state to believe that their tax dollars are being wisely invested and are supporting needed public services. In particular, given the growing significance of public investments in physical infrastructure, education, and other human resource needs for business competitiveness in today's global economy, the issue of what state and local governments do with their tax dollars is becoming ever more important. Measuring how well government invests its tax resources is a difficult undertaking and beyond this Index, but one that is critical to keep in mind in evaluating a state's tax and fiscal system.

Fiscal Stability & Balanced Revenue Data

	Personal Income Tax		General Sales Tax		Property Tax		Rainy Day Fund	
State	%/revenue	Pts.	%/revenue	Pts.	%/revenue	Pts.	%/revenue	Pts.
Alabama	21.86	25.0	50.38	0.0	12.27	9.5	0.0	10.0
Alaska	0.00	0.0	2.99	0.0	30.63	23.7	33.4	25.0
Arizona	15.11	15.2	34.76	15.5	33.09	18.8	0.0	0.0
Arkansas	24.69	25.0	32.93	19.1	17.92	20.8	–	0.0
California	25.39	25.0	25.69	25.0	27.03	25.0	0.0	10.0
Colorado	21.16	25.0	25.80	25.0	35.55	13.9	3.0	19.0
Connecticut	New	25.0	26.91	25.0	39.47	6.1	0.0	10.0
Delaware	35.06	14.9	0.00	0.0	14.79	12.9	5.4	25.0
Florida	0.00	0.0	36.57	11.9	35.04	14.9	0.5	11.5
Georgia	24.58	25.0	27.06	25.0	27.41	25.0	0.0	10.0
Hawaii	24.17	25.0	37.09	10.8	14.80	14.6	–	0.0
Idaho	25.65	25.0	25.99	25.0	26.53	25.0	3.8	21.4
Illinois	17.85	20.7	24.33	25.0	35.89	13.2	–	0.0
Indiana	25.88	25.0	29.50	25.0	28.96	25.0	5.6	25.0
Iowa	24.39	25.0	18.45	21.9	35.09	14.8	0.0	10.0
Kansas	18.71	22.4	23.68	25.0	35.64	13.7	–	0.0
Kentucky	28.16	25.0	20.09	25.0	16.87	18.7	0.5	11.5
Louisiana	11.19	7.4	38.94	7.1	17.20	19.4	0.0	10.0
Maine	23.95	25.0	22.29	25.0	36.57	11.9	0.0	10.0
Maryland	38.49	8.0	14.72	14.4	25.61	25.0	0.0	10.0
Massachusetts	34.59	15.8	15.89	16.8	32.95	19.1	0.0	10.0
Michigan	22.46	25.0	16.77	18.5	39.64	5.7	2.4	17.2
Minnesota	28.53	25.0	18.88	22.8	30.75	23.5	6.9	25.0
Mississippi	13.24	11.5	35.35	14.3	26.98	25.0	0.0	10.0
Missouri	25.18	25.0	31.85	21.3	22.01	25.0	0.0	10.0
Montana	19.50	24.0	0.00	0.0	46.16	0.0	–	0.0
Nebraska	17.30	19.6	20.96	25.0	41.99	1.0	–	0.0
Nevada	0.00	0.0	31.67	21.7	22.08	25.0	0.0	10.0
New Hampshire	0.00	0.0	0.00	0.0	68.10	0.0	0.0	10.0
New Jersey	15.16	15.3	18.33	21.7	45.60	0.0	0.0	10.0
New Mexico	14.10	13.2	39.53	5.9	12.93	10.9	2.8	18.4
New York	30.41	24.2	19.43	23.9	31.31	22.4	0.0	10.0
North Carolina	30.53	23.9	24.42	25.0	21.05	25.0	0.0	10.0
North Dakota	10.55	6.1	23.08	25.0	30.36	24.3	4.2	22.6
Ohio	30.17	24.7	21.46	25.0	28.44	25.0	2.4	17.2
Oklahoma	20.20	25.0	26.74	25.0	17.62	20.2	4.2	22.6
Oregon	33.23	18.5	0.00	0.0	44.13	0.0	–	0.0
Pennsylvania	14.58	14.2	19.69	24.4	27.74	25.0	0.0	10.0
Rhode Island	20.88	25.0	21.00	25.0	39.54	5.9	0.0	10.0
South Carolina	25.34	25.0	26.92	25.0	25.70	25.0	0.8	12.4
South Dakota	0.00	0.0	34.67	15.7	40.27	4.5	0.0	10.0
Tennessee	1.51	0.0	45.79	-6.6	22.96	25.0	0.0	10.0
Texas	0.00	0.0	29.92	25.0	39.15	6.7	0.0	10.0
Utah	23.73	25.0	29.01	25.0	27.28	25.0	3.2	19.6
Vermont	22.19	23.9	11.90	8.8	40.92	3.2	0.0	10.0
Virginia	26.28	25.0	15.63	16.3	31.53	21.9	0.0	10.0
Washington	0.00	0.0	48.43	0.0	27.50	25.0	3.7	21.1
West Virginia	18.45	21.9	23.64	25.0	16.41	17.8	–	0.0
Wisconsin	25.68	25.0	19.37	23.7	35.32	14.4	1.0	13.0
Wyoming	0.00	0.0	19.31	23.6	40.89	3.2	20.0	70.0

Fiscal Stability & Balanced Revenue Data Sources

To measure the degree of revenue stability and balance, we examine whether a state has a rainy day fund and the available revenues within that reserve, and we evaluate the share of total state and local tax revenues (exclusive of federal aid) provided for by three separate taxes: personal income taxes, general sales taxes, and property taxes. Points are then assigned based on how well each separate tax compares with an "ideal" range, one that would result in a well balanced and diversified revenue system. The four measures are:

- *Personal Income Tax*
- *General Sales Tax*
- *Property Tax*
- *Rainy Day Fund*

Personal Income Tax

States receive 25 points if personal income taxes account for 20 to 30 percent of state and local tax revenues. Points are deducted at the rate of two points for every percentage point outside this range.

Measure: State and local personal income taxes as a percentage of revenues for total state and local taxes.

Source: U.S. Census Bureau, government data from October 1989–September 1990.

General Sales Tax

States receive 25 points if general sales tax revenues account for 20 to 30 percent of state and local tax revenue. Points are deducted at the rate of two for every percentage point outside this range.

Measure: State and local sales taxes as a percentage of revenues of total state and local taxes.

Source: Same as Personal Income Tax.

Property Tax

States receive 25 points if general property tax revenues account for 20 to 30 percent of state and local tax revenue. Points are deducted at the rate of two for every percentage point outside this range.

Measure: State and local property taxes as a percentage of revenues of total state and local taxes.

Source: Same as Personal Income Tax.

Rainy Day Fund

States receive 10 points if they have a rainy day fund: three more points are added for every percentage point up to 5 percent of general revenue in their rainy day fund – allowing for a maximum total of 25 points.

Measure: Score for whether a state has a rainy day fund, and size of fund relative to state appropriations, projected by the year October 1990–September 1991.

Source: National Conference of State Legislatures, *State Budget and Tax Actions in 1991* (Denver, CO: National Conference of State Legislatures, October 1991).

Tax Fairness Data

	Sales Tax Food		Tax Burdens		Personal Income Tax		Income Tax Threshold		Property Tax Circuit Breaker	
State	Exempt	Pts.	%/income	Pts.	Ratio	Pts.	Income	Pts.	Type	Pts.
Alabama	N	0	8.3	7.5	1.06	5.5	4,500	5.2	none	0
Alaska	–	10	2.5	24.5	0.00	0.0	0	0.0	none	0
Arizona	Y	10	8.2	8.5	2.70	19.5	15,500	18.0	elderly, retired	15
Arkansas	N	0	9.6	5.0	2.45	18.0	11,000	11.2	elderly	10
California	Y	10	9.6	4.5	11.08	25.0	16,500	18.8	elderly, disabled	10
Colorado	Y	10	6.5	19.0	1.47	10.0	14,300	16.4	elderly, disabled	10
Connecticut	Y	10	7.7	12.5	3.56	21.5	24,000	20.0	elderly, disabled	0
Delaware	–	10	3.5	23.5	2.03	14.0	9,000	8.4	none	0
Florida	Y	10	8.3	8.0	0.00	0.0	0	0.0	none	0
Georgia	N	0	8.1	9.5	1.64	12.0	9,300	8.8	none	0
Hawaii	N	0	7.1	16.0	1.51	11.0	5,900	6.0	all renters	15
Idaho	N	0	7.3	14.5	3.59	22.0	14,300	16.4	elderly, disabled	10
Illinois	N	0	8.3	7.0	1.20	6.5	4,000	4.8	elderly, disabled	10
Indiana	Y	10	7.6	13.0	1.09	6.0	4,000	4.8	none	0
Iowa	Y	10	6.7	17.0	1.85	13.0	8,300	8.0	elderly, disabled	10
Kansas	N	0	7.6	14.0	2.17	16.5	13,500	13.6	elderly, disabled	10
Kentucky	Y	10	6.6	18.0	1.34	8.0	5,000	5.6	none	0
Louisiana	N	0	11.8	0.5	2.44	17.5	11,000	11.2	none	0
Maine	Y	10	7.8	11.0	6.91	24.5	13,000	13.2	homeowners, renters	20
Maryland	Y	10	5.2	21.5	1.25	7.5	15,500	18	homeowners, elderly renters	15
Massachusetts	Y	10	4.6	22.5	1.37	8.5	12,000	12.4	none	0
Michigan	Y	10	6.6	18.5	1.20	7.0	7,200	6.8	none	0
Minnesota	Y	10	6.7	17.5	2.15	15.5	15,500	18.0	homeowners, renters	20
Mississippi	N	0	9.7	4.0	4.15	23.5	15,900	18.4	none	0
Missouri	N	0	8.0	10.0	1.38	9.0	9,700	9.6	elderly	10
Montana	–	10	3.3	24.0	2.30	17.0	6,500	6.4	elderly	10
Nebraska	Y	10	7.7	12.0	3.05	20.5	14,300	16.4	none	0
Nevada	Y	10	7.8	10.5	0.00	0	0	0.0	elderly	10
New Hampshire	–	10	3.6	23.0	0.0	0	0	0.0	none	0
New Jersey	Y	10	6.4	19.5	3.45	21.0	4,000	4.8	homeowners, renters	20
New Mexico	N	0	11.0	1.5	6.49	24.0	12,000	12.4	elderly	10
New York	Y	10	7.6	13.5	2.16	16.0	14,100	14	Homeowners, renters	20
North Carolina	N	0	8.7	6.0	1.95	13.5	14,300	16.4	none	0
North Dakota	Y	10	8.1	9.0	4.14	23.0	14,300	16.4	elderly, disabled	10
Ohio	Y	10	7.2	15.5	2.11	14.5	10,500	10.4	elderly, disabled	10
Oklahoma	Y	10	8.6	6.5	2.14	15.0	10,000	10.0	elderly, disabled	10
Oregon	–	10	2.3	25.0	1.71	12.5	9,700	9.6	homeowners, renters	20
Pennsylvania	Y	10	5.9	21.0	0.89	5.0	13,000	13.2	elderly, disabled	10
Rhode Island	Y	10	7.8	11.5	2.97	20.0	17,400	19.6	elderly, disabled	10
South Carolina	N	0	6.9	16.5	2.59	19.0	14,300	16.4	none	0
South Dakota	N	0	10.1	3.0	0.00	0.0	0	0.0	elderly, disabled	10
Tennessee	N	0	10.7	2.0	0.00	0.0	0	0.0	elderly, disabled vets	10
Texas	Y	10	10.0	3.5	0.00	0.0	0	0.0	none	0
Utah	N	0	9.1	5.5	1.49	10.5	11,600	11.6	elderly	10
Vermont	Y	10	5.1	22.0	3.87	22.5	17,400	19.6	homeowners, renters	20
Virginia	N	0	6.2	20.0	1.53	11.5	8,200	7.6	none	0
Washington	Y	10	11.6	1.0	0.00	0.0	0	0.0	none	0
West Virginia	N	0	10.6	2.5	2.53	18.5	8,000	7.2	elderly	10
Wisconsin	Y	10	7.2	15.0	1.40	9.5	15,500	18.0	homeowners, renters	20
Wyoming	N	0	6.1	20.5	0.00	0.0	0	0.0	elderly, disabled	10

Tax Fairness Data Sources

Tax fairness helps build political credibility for state and local governments, mitigating individual and business taxpayers' perceptions that the tax system may benefit others at their own expense. Measures are:

- *Sales Tax Exemption for Food*
- *Sales & Excise Tax Burdens on Low-Income Families*
- *Personal Income Tax Progressivity*
- *Income Tax Threshold*
- *Property Tax Circuit Breaker*

Sales Tax Exemption for Food

By exempting food from the sales tax base, states can ensure that the burden of sales taxes do not unfairly affect low- and moderate-income families. If states exempt food, they receive 10 points. States with no sales tax receive 10 points.

Measure: States that exempt food from the sales tax, 1990.

Source: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism, 1991* (Washington, DC: Advisory Commission on Intergovernmental Relations, February 1991).

Sales & Excise Tax Burdens on Low-Income Families

This measure examines the level or burden of sales and excise taxes as a percent of income for low-income (poorest 20 percent of all families in the state) families. The maximum number of points a state can receive is 25.

Measure: Percent of income spent on sales and excise taxes by the state's low-income population, 1991.

Source: Citizens for Tax Justice, Washington, DC, January 1992.

Personal Income Tax Progressivity

The personal income tax burden for the top one percent of all taxpayers is compared to the tax burden for middle income taxpayers. The more progressive a state's personal income tax, the higher the share of taxes paid by the top income taxpayers as compared to the average. There is a maximum of 25 points and states with no personal income tax receive no points.

Measure: Ratio of income tax burden for top 1% percent of all taxpayers to average income tax burden for middle income taxpayers, 1991.

Source: Same as Sales & Excise Tax Burdens on Low-Income Families.

Income Tax Threshold

The income level at which state residents – specifically a family of four with two wage earners – begin paying taxes is measured. The maximum number of points is 20; the higher the income threshold, the more points a state receives. States without a personal income tax receive no points.

Measure: State income tax thresholds for two-parent families of four, 1991.

Source: Center on Budget and Policy Priorities, Washington, DC, January 1992.

Property Tax Circuit Breaker

A state receives 20 points if it has a state-financed property tax circuit breaker available to all taxpayers; 15 points if it's available only to renters and homeowners, and 10 points if available only to the elderly and/or disabled.

Measure: States with a comprehensive property tax circuit breaker, 1990.

Source: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism, Volume 2: Budget Processes and Tax Systems* (Washington, DC: Advisory Commission on Intergovernmental Relations, February 1991).

Fiscal Equalization Data

State	Welfare		Local Education		Other State Aid	
	%	Pts.	%	Pts.	%	Pts.
Alabama	97.76	29.33	66.68	36.68	10.60	0.00
Alaska	98.23	29.47	75.74	40.00	21.81	10.54
Arizona	83.87	25.16	45.41	15.41	23.16	13.24
Arkansas	99.82	29.95	64.49	34.49	15.50	0.00
California	95.88	28.76	68.36	40.00	17.77	2.46
Colorado	87.83	26.35	43.57	13.57	7.46	0.00
Connecticut	94.95	28.48	37.70	7.70	15.47	0.00
Delaware	99.65	29.89	70.53	40.00	3.67	0.00
Florida	94.66	28.40	57.22	27.22	10.77	0.00
Georgia	98.40	29.52	59.61	29.61	7.44	0.00
Hawaii	98.04	29.41	100.00	40.00	10.77	0.00
Idaho	91.27	27.38	66.00	36.00	17.11	1.13
Illinois	97.83	29.35	39.21	9.21	16.02	0.00
Indiana	96.60	28.98	60.16	30.16	18.17	3.27
Iowa	91.45	27.44	52.01	22.01	19.00	4.91
Kansas	96.56	28.97	45.31	15.31	8.21	0.00
Kentucky	99.09	29.73	73.04	40.00	13.34	0.00
Louisiana	99.29	29.79	65.88	35.88	8.07	0.00
Maine	98.94	29.68	45.78	15.78	12.86	0.00
Maryland	98.05	29.41	34.10	4.10	20.54	8.00
Massachusetts	100.00	30.00	39.58	9.58	39.96	30.00
Michigan	97.24	29.17	32.16	2.16	30.97	28.87
Minnesota	80.57	24.17	56.05	26.05	23.58	14.08
Mississippi	97.95	29.38	65.19	35.19	17.70	2.31
Missouri	95.69	28.71	44.28	14.28	7.43	0.00
Montana	94.28	28.28	51.05	21.05	9.54	0.00
Nebraska	93.98	28.20	24.64	0.00	16.18	0.00
Nevada	86.21	25.86	61.72	31.72	25.92	18.76
New Hampshire	89.00	26.70	9.33	0.00	11.80	0.00
New Jersey	95.03	28.51	38.18	8.18	20.13	7.19
New Mexico	94.75	28.42	83.09	40.00	22.28	11.48
New York	92.62	27.78	45.95	15.95	13.75	0.00
North Carolina	95.52	28.66	67.65	37.65	16.30	0.00
North Dakota	90.36	27.11	49.07	19.07	20.29	7.50
Ohio	94.33	28.30	45.99	15.99	17.87	2.66
Oklahoma	98.92	29.67	61.18	31.18	8.95	0.00
Oregon	97.32	29.20	28.80	0.00	21.10	9.13
Pennsylvania	99.32	29.80	49.53	19.53	17.33	1.57
Rhode Island	99.54	29.86	38.09	8.09	11.13	0.00
South Carolina	99.80	29.94	56.91	26.91	12.72	0.00
South Dakota	95.16	28.55	32.29	0.00	10.52	0.00
Tennessee	100.00	30.00	50.27	0.00	61.06	30.00
Texas	97.33	29.20	44.08	14.08	3.47	0.00
Utah	99.40	29.82	66.30	36.30	9.46	0.00
Vermont	99.70	29.91	37.78	0.00	11.83	0.00
Virginia	93.36	28.01	44.08	14.08	13.90	0.00
Washington	99.96	29.99	75.68	40.00	13.34	0.00
West Virginia	99.74	29.92	69.52	39.52	5.04	0.00
Wisconsin	82.39	24.72	44.65	14.65	33.20	30.00
Wyoming	100.00	30.00	57.89	27.89	22.53	11.98

Fiscal Equalization Data Sources

State policies that promote equal fiscal capacity among local governments are crucial for a sound business climate. These policies increase the ability of all communities to provide a sufficient level and quality of services to firms and individuals.

We measure fiscal equalization by the extent to which state governments finance key service costs and provide revenue sharing aid to communities by examining:

- *Welfare*
- *Local Education*
- *Other State Aid*

Welfare

States receive .3 points for every percentage point of total state and local welfare costs assumed by state government, up to a maximum of 30 points.

Measure: Percentage of state government share of total state and local welfare costs.

Source: U.S. Census Bureau, data from October 1989–September 1990.

Local Education

States receive one point for every percentage point of total state and local K–12 education costs assumed by state government over 30% and up to 70%, with a maximum of 40 points.

Measure: State government intergovernmental education assistance to local governments as a share of total local government education spending.

Source: Same as Welfare.

Other State Aid

States receive 1 point for every percentage point by which its other general revenue contributions to local governments exceed the U.S. average (16%), up to a maximum score of 30 points.

Measure: State government share of total state and local spending other than for welfare and education.

Source: Same as Welfare.

Note: For more background on business climate and taxes, see Karl Seidman, *The Role of Taxation in State Business Climate* (Washington, DC: The Corporation for Enterprise Development, 1987). For a discussion of the merits of a balanced revenue system, see Robert Kleine and John Shannon, "Characteristics of a Balanced and Moderate State-Local Revenue System," and Steve Gold, *Reforming State Tax Systems* (Washington, DC: National Conference of State Legislatures, 1986).

Tax & Fiscal System – Total Scores

	Stability/ Balance		Tax Fairness		Fiscal Equalization		Final Score	
State	Score	Rank	Score	Rank	Score	Rank	Score	Rank
Alabama	44.5	42	18.2	45	66.01	16	128.71	42
Alaska	48.7	36	34.5	37	80.01	1	163.21	26
Arizona	49.5	35	71.0	11	53.82	29	174.32	27
Arkansas	65.0	25	44.2	29	64.44	19	173.64	25
California	85.0	9	68.3	13	71.22	4	224.52	1
Colorado	82.9	12	65.4	15	39.92	42	188.22	20
Connecticut	66.1	23	74.0	6	36.19	46	176.29	27
Delaware	52.8	33	55.9	21	69.89	6	178.59	15
Florida	38.3	45	18.0	46	55.62	27	111.92	46
Georgia	85.0	9	30.3	42	59.13	25	174.43	31
Hawaii	50.4	34	48.0	26	69.41	11	167.81	24
Idaho	96.4	3	62.9	16	64.52	18	223.82	3
Illinois	58.9	3	28.3	44	38.55	43	125.75	45
Indiana	100.0	1	33.8	38	62.40	21	196.20	15
Iowa	71.7	21	58.0	2	54.36	28	184.06	20
Kansas	61.1	28	54.1	22	44.28	35	159.48	35
Kentucky	80.2	15	41.6	31	69.73	8	191.53	7
Louisiana	43.9	43	29.2	43	65.66	17	138.76	42
Maine	71.9	2	78.7	3	45.47	34	196.07	9
Maryland	57.5	31	72.0	9	41.51	41	171.01	34
Massachusetts	61.7	27	53.4	23	69.58	9	184.68	14
Michigan	66.5	22	42.3	3	60.20	23	169.00	27
Minnesota	96.3	4	81.0	2	64.30	2	241.60	1
Mississippi	60.8	29	45.9	28	66.89	13	173.59	22
Missouri	81.3	13	38.6	33	42.98	39	162.88	35
Montana	24.0	48	67.4	14	49.34	32	140.74	39
Nebraska	45.6	41	58.9	19	28.20	49	132.70	44
Nevada	56.7	32	30.5	4	76.34	3	163.54	27
New Hampshire	10.0	5	33.0	39	26.70	5	69.70	49
New Jersey	47.0	38	75.3	5	43.88	36	166.18	32
New Mexico	48.4	37	47.9	27	79.90	2	176.20	18
New York	80.4	14	73.5	7	43.74	37	197.64	11
North Carolina	83.9	11	35.9	36	66.31	14	186.11	17
North Dakota	78.0	16	68.4	12	53.68	3	200.08	11
Ohio	91.9	7	60.4	17	46.96	33	199.26	9
Oklahoma	92.8	6	51.5	25	60.85	22	205.15	6
Oregon	18.5	49	77.1	4	38.32	44	133.92	41
Pennsylvania	73.6	18	59.2	18	50.90	31	183.70	19
Rhode Island	65.9	24	71.1	1	37.95	45	174.95	32
South Carolina	87.4	8	51.9	24	56.85	26	196.15	11
South Dakota	30.1	46	13.0	48	28.55	48	71.65	50
Tennessee	28.4	47	12.0	49	60.00	24	100.40	47
Texas	41.7	44	13.5	47	43.28	38	98.48	48
Utah	94.6	5	37.6	35	66.12	15	198.32	8
Vermont	45.8	4	94.1	1	29.91	47	169.81	37
Virginia	73.2	19	39.1	32	42.08	4	154.38	38
Washington	46.1	39	11.0	5	69.99	5	127.09	39
West Virginia	64.7	26	38.2	34	69.44	1	172.34	22
Wisconsin	76.1	17	72.5	8	69.37	12	217.97	3
Wyoming	96.8	2	30.5	4	69.87	7	197.17	5

Appendix

Appendix

Rural/Urban Disparity Index

To augment the Equity Subindex of the Economic Performance Index, CFED devised a rural/urban disparity measure to help gauge the difference between how rural and urban counties within a state perform on a variety of indicators.

Why a Rural/Urban Measure?

One major finding that emerged from the 1988 and 1989 Development Report Cards was that when the measures that constitute the main Indexes were compared, many predominantly rural states scored lower than predominantly urban states.

The implication was fairly clear – the nation's rural areas had not enjoyed the prosperity born of the vaunted 1980's economic recovery. Yet, we knew that the mere fact of *being* rural did not preclude robust economic performance or hinder pursuing an aggressive development policy.

Several measures from the CFED 1989 Rural Economic Climate Report were included in the 1990 and 1991 Report Cards – such as those measures that compared how economic performance differs between rural and urban areas within a state – including employment growth, unemployment, earnings growth, average earnings, and poverty.

What is Rural?

For the *Development Report Card* we use the definition of "nonmetropolitan" developed by the U.S. Department of Agriculture Economic Research Service, one commonly (but not solely) used in recent government data collection and many private-sector studies. "Rural" can be defined generally as a section along a continuum that runs from metropolitan to nonmetropolitan. Specifically, it includes counties that do not meet current criteria of independence, size, and commuting integration that would classify them as being part of a metropolitan statistical area. In effect, although these "rural" counties may differ significantly from each other – one could have an urban population of over 20,000 and be adjacent to a metro area, another may be completely "country" and remote – they are all free-standing with respect to their reliance on a metro area.

To arrive at nonmetropolitan measures for an entire state, we have summed the data for individual nonmetropolitan counties within each state.

Because New Jersey has no counties classified as nonmetropolitan, it has no values for any Rural/Urban Disparity measure. For the overall Rural/Urban Disparity Index, New Jersey is assumed to have no differences in urban and rural economic performance.

The data and data sources that comprise the 1992 Rural/Urban Disparity measure follow.

Rural/Urban Disparity Data* (part 1)

	Long-Term Employment		Short-Term Employment		Unemployment Difference	
State	%	Rank	%	Rank	%	Rank
Alabama	[6.82]	19	[1.18]	25	2.10	36
Alaska	10.85	34	[2.15]	39	3.25	47
Arizona	7.76	24	0.99	22	5.40	50
Arkansas	[7.47]	23	0.12	2	1.37	25
California	[2.11]	7	[2.93]	46	3.99	48
Colorado	[7.39]	22	2.65	44	0.87	14
Connecticut	11.47	36	0.77	14	0.90	16
Delaware	[2.45]	11	0.88	17	0.33	7
Florida	11.33	35	2.31	40	1.07	17
Georgia	[16.30]	43	[1.02]	23	1.15	19
Hawaii	24.56	48	3.49	49	0.84	12
Idaho	[12.38]	37	[1.90]	36	2.63	43
Illinois	[7.01]	20	[0.64]	12	1.95	34
Indiana	[0.85]	4	[0.23]	5	1.28	22
Iowa	[16.35]	44	[0.92]	18	0.32	6
Kansas	[19.70]	47	[0.29]	7	[0.17]	3
Kentucky	[8.45]	27	1.22	27	2.26	38
Louisiana	[8.79]	28	0.94	20	1.81	30
Maine	2.08	6	1.45	33	0.80	11
Maryland	28.91	49	0.31	8	1.92	33
Massachusetts	16.15	41	1.32	30	0.84	12
Michigan	4.02	13	1.90	36	1.73	29
Minnesota	[10.27]	32	2.89	45	1.37	25
Mississippi	[15.04]	38	[0.65]	13	2.44	41
Missouri	[4.16]	14	1.47	34	1.36	24
Montana	[10.81]	33	[1.24]	28	1.16	20
Nebraska	[16.75]	45	[1.19]	26	0.12	1
Nevada	1.37	5	[5.14]	50	0.29	4
New Hampshire	9.20	29	3.05	47	[0.87]	14
New Jersey	N/A	N/A	N/A	N/A	N/A	N/A
New Mexico	[9.36	30	1.32	30	1.83	31
New York	3.98	12	1.44	32	0.30	5
North Carolina	[5.30]	16	[0.85]	16	1.58	27
North Dakota	[37.60]	50	[3.21]	48	1.61	28
Ohio	[6.00]	18	0.23	5	1.91	32
Oklahoma	0.63	3	2.39	41	0.55	8
Oregon	[0.22]	2	[0.38]	10	2.41	40
Pennsylvania	2.20	9	0.34	9	2.12	37
Rhode Island	[16.13]	40	[2.53]	43	[0.73]	10
South Carolina	[15.41]	39	[1.15]	24	2.37	39
South Dakota	[7.21]	21	[1.80]	35	1.12	18
Tennessee	2.13	8	1.94	38	2.51	42
Texas	[5.70]	17	[1.26]	29	0.15	2
Utah	[16.23]	42	[0.83]	15	1.31	23
Vermont	7.77	25	[0.16]	4	1.96	35
Virginia	[8.44]	26	0.97	21	2.68	45
Washington	[9.97]	31	[0.60]	11	2.64	44
West Virginia	2.21	10	0.12]	2	2.87	46
Wisconsin	[4.30]	15	2.46	42	1.22	21
Wyoming	17.83	46	[0.92]	18	[0.58]	9

** Ranking is based on absolute value. Bracketed data indicates states where the urban value for a measure was greater than the rural value. Unbracketed data indicates states where the rural value exceeded the urban.*

Rural/Urban Disparity Data Sources

Long-Term Employment Growth Difference

Measure: Absolute value (in percentage points) difference between the state's nonmetropolitan and metropolitan counties' long-term employment growth rates, 1984–1990.

Source: U.S. Department of Agriculture, Economic Research Services, Agriculture and Rural Economy Division, unpublished data. Washington, DC, 1992. Calculations by CFED.

Short-Term Employment Growth Difference

Measure: Absolute value (in percentage points) difference between the state's nonmetropolitan and metropolitan counties' short-term employment growth rates, 1989–1990.

Source: Same as Long-Term Employment Growth Difference.

Unemployment Difference

Measure: Absolute value (in percentage points) difference between the state's nonmetropolitan and metropolitan counties' unemployment rates, 1990.

Source: Same as Long-Term Employment Growth Difference.

Rural/Urban Disparity Data* (part 2)

	Average Earnings Ratio		Long-Term Earnings		Short-Term Earnings	
State	Ratio	Rank	%	Rank	%	Rank
Alabama	63.68	40	1.31	8	[2.18]	38
Alaska	97.13	3	[4.50]	20	1.22	27
Arizona	69.85	30	[13.77]	45	[4.78]	48
Arkansas	79.99	14	5.64	24	[0.54]	12
California	64.18	39	[2.02]	14	[0.92]	23
Colorado	75.57	19	12.65	43	2.43	40
Connecticut	61.89	42	[7.21]	31	0.35	8
Delaware	61.78	43	[0.33]	3	[0.38]	9
Florida	62.61	41	[6.69]	28	[1.92]	36
Georgia	66.74	34	3.43	18	[0.21]	4
Hawaii	68.14	32	[2.21]	15	0.88	22
Idaho	82.10	9	1.94	12	2.38	39
Illinois	69.90	29	[7.02]	29	2.59	41
Indiana	74.20	22	[4.66]	21	1.23	28
Iowa	16.35	12	13.22	44	1.63	30
Kansas	70.82	27	[0.59]	4	[4.00]	47
Kentucky	76.42	18	2.28	16	0.76	19
Louisiana	77.63	17	1.05	6	[2.79]	43
Maine	80.07	13	[5.99]	26	0.33	7
Maryland	72.32	24	[22.83]	50	[0.52]	11
Massachusetts	66.69	35	[5.36]	23	[3.20]	45
Michigan	57.86	44	1.96	13	0.77	20
Minnesota	66.54	36	8.09	35	3.67	46
Mississippi	81.69	10	12.47	42	[2.03]	37
Missouri	57.79	45	5.13	22	[0.70]	17
Montana	82.13	8	13.84	46	7.48	50
Nebraska	79.01	15	10.50	39	[1.21]	26
Nevada	102.42	2	[9.07]	36	0.41	10
New Hampshire	88.51	5	[1.60]	11	[0.68]	16
New Jersey	N/A	N/A	N/A	N/A	N/A	N/A
New Mexico	55.78	46	[9.95]	38	[1.73]	32
New York	53.25	47	[1.33]	9	1.81	33
North Carolina	70.45	28	[2.32]	17	0.62	15
North Dakota	87.39	6	12.32	41	5.21	49
Ohio	6.00	23	0.17	2	0.26	6
Oklahoma	68.77	31	[1.59]	10	[0.58]	13
Oregon	82.27	7	[9.35]	37	[1.87]	35
Pennsylvania	72.14	25	[7.53]	32	0.24	5
Rhode Island	109.66	1	21.70	49	[0.11]	3
South Carolina	78.49	16	5.96	25	[2.84]	44
South Dakota	40.70	48	0.86	5	0.94	24
Tennessee	64.73	38	[8.07]	34	[1.63]	30
Texas	67.55	33	[3.70]	19	[1.83]	34
Utah	16.23	4	12.04	40	[1.07]	25
Vermont	70.96	26	[17.19]	47	0.79	21
Virginia	65.72	37	1.29	7	1.55	29
Washington	81.26	11	[7.08]	30	[0.04]	2
West Virginia	75.50	20	[7.93]	33	[0.73]	18
Wisconsin	75.41	21	6.17	27	2.59	41
Wyoming	31.55	49	[19.73]	48	[0.58]	13

** Ranking is based on absolute value. Bracketed data indicates states where the urban value for a measure was greater than the rural value. Unbracketed data indicates states where the rural value exceeded the urban.*

Rural/Urban Disparity Data Sources

Average Earnings Ratio

Measure: Ratio of nonmetropolitan counties' to metropolitan counties' average annual labor and proprietor earnings, per full-time worker, 1989.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "Tables CA5 – Personal 1984–1990." Washington, DC, 1992. Calculations by the U.S. Department of Agriculture, Economic Research Service, Agriculture and Rural Economy Division, and CFED.

Long-Term Earnings Growth Difference

Measure: Absolute value difference (in percentage points) between the state's nonmetropolitan and metropolitan counties' change in average annual labor and proprietor earnings, per full-time worker, 1984–1989.

Source: Same as Average Earnings Ratio.

Short-Term Earnings Growth Difference

Measure: Absolute value difference (in percentage points) between the state's nonmetropolitan and metropolitan counties' change in average annual labor and proprietor earnings, per full-time worker, 1988–1989.

Source: Same as Average Earnings Ratio.

Traded Sector & Structural Diversity

Despite the fundamental importance of competitiveness and industrial diversity to a state economy, there are no simple or straightforward measures that capture these dimensions in a state's business sectors. As part of the *Development Report Card's* Business Vitality Index, CFED has devised four special indicators of industrial competitiveness and diversity.

Traded Sector Strength and Total Traded Sector Income reflect the value added by the key industries in a state, an important factor in assessing the state's competitiveness. Similarly, the levels of Dynamic Diversity and Sectoral Diversity indicate how vulnerable a state may be to downturns in one or several of its critical industries.

Because these measures are more complicated and less intuitive than, say, business failures or employment, we offer here a more extensive explanation of each.

Traded Sector Strength

The traded sector firms, comprised of those in-state businesses producing goods and services that compete with firms outside the state, bring new wealth into an economy by exporting goods and services, and/or they retain wealth in an economy by substituting for the goods and services that otherwise would have to be imported.

The ideal way to estimate traded sector income would be to use an up-to-date input-output table to calculate precisely the value of the goods and services that a state's businesses export. Unfortunately, such up-to-date data does not exist; the most recent data is over a decade old.

As an alternative, we calculate the size of a state's traded sector by the amount of income it brings into the economy for each civilian worker. Using 1989 data we estimate the amount of income that each state industry derives from its traded sector activities and then sum that income across all industries to arrive at traded sector income for the state.

Of course, the difficulty in designing such as measure is specifying which industries within an individual state's economy are, in fact, "traded". To determine the fully- and partially-traded industries for each state, we start with the U.S. Bureau of Economic Analysis (BEA) classification of industries (as designated by SIC codes) as fully-, partially- and non-traded, and then augment the BEA classification with our own research.

Fully traded industries include:

- *agricultural services*
- *coal mining*
- *farming*
- *fisheries*
- *forestry*
- *insurance carriers*
- *mail-order houses*
- *manufacturing (except for food processing & printing/publishing)*
- *metals mining*
- *mining*
- *petroleum*
- *pipeline transportation*
- *railroad transportation*
- *research & development*
- *water transportation*

Partially-traded industries differ from state to state according to the extent to which their activities are traded. For instance, although in most states banking is a local, non-traded activity, in states like New York and Delaware, much banking activity is traded. Partially-traded industries may include:

- *accounting*
- *advertising*
- *air transportation*
- *amusements & recreation*
- *banking*
- *communication*
- *educational services*
- *engineering services*
- *federal government*
- *food processing*
- *health services*
- *hotels*
- *legal services*
- *motion pictures*
- *non-metals mining*
- *printing/publishing*
- *securities brokers*
- *transportation services*
- *trucking*
- *utilities*
- *wholesale trade*

We then use two steps to determine the extent to which the income from the partially-traded industries in each state should be counted as traded. First, we determine a "local quotient" for each industry in each state. A location quotient measures an industry's share of state employment relative to its share of national employment. A location quotient of 1.0 means that the industry has the same share of state employment as it does national employment. A quotient of 1.5 means that the industry's share of employment in the state is 50 percent more than its national share.

Next, starting with the BEA framework, we analyze the distribution of local quotients for each partially-traded industry to determine the appropriate formula for estimating the percent of industry income that is traded. In each industry, the higher the location quotient, the higher the percent of income that is attributed to the industry's trading activity. To calculate *Total Traded Sector Income*, incomes from the totally-traded and partially-traded sectors are added together. To arrive at the measure of *Traded Sector Strength*, we divide the sum of traded sector income by the number of civilian workers in a state, so as to be able to compare across states.

Structural Diversity Measures

In measuring *Structural Diversity* in a state's economic base, our analysis considers both how diverse a state's economic structure *looks* – for example, how its employment is distributed over a wide range of industries – and how diverse it *acts*.

The Sectoral Diversity measure examines how concentrated a state's employment is across all its traded sector industries. We employ an index developed by an economist, Dr. Herfindahl, that adds the sum of the square of each traded sector industry's share of total traded sector income. A "0" score indicates perfect diversification; a score of "1" indicates that all the traded sector activity is in just one industry. So, for example, in comparing two states, each of which has only two traded industries, the state in which the split in total traded sector income is 50/50 is more diverse (a score of .5) than the state where the split is 75/25 (a score of .625).

We also examine how diverse a state's traded sector industries act, in a measure we call *Dynamic Diversity*. That is, in an economy that has dynamic diversity, when one industry is declining, others should be growing or stable. We are, therefore, interested in the diversity of employment change, which provides a measure of protection against downside risk – in other words, we do not want to see all of a state's major industries declining at the same time. Our attention is again focused on traded sector industries, since they are the industries that generate wealth in a state.

To estimate *Dynamic Diversity*, we attempt to measure the extent of similarity in employment change from industry to industry. Such a similarity in change is known in statistical terms as "covariance". When employment change is diverse, there is a significant amount of negative covariance between industries – so that when one industry is declining, another is growing, and vice-versa.

To calculate *Dynamic Diversity*, the list of each state's traded sector industries is determined by doing two steps:

Step 1. For every possible pair of the top twelve traded sector industries, a score is developed. The score is the covariance of employment change in those industries between 1984 and 1990, multiplied by the weight (based on employment size of sector) of one industry times the weight of the other.

Step 2. The scores for every pair of industries is then summed to get the state's raw *Dynamic Diversity* score.

Obviously, it is important to adjust for the size of each industry, so our measure assigns an industry weight based on the percentage of traded sector employment it holds. The measure also takes into account the actual percentage change in employment in each industry – the higher the percentage, the greater the impact. So if two key industries both decline significantly, the measure is more unfavorably affected than if they both decline in a small amount.

Minority & Women Business Ownership Data

	Minority-Owned Business		Women-Owned Business	
State	Score	Rank	Score	Rank
Alabama	18.83	49	7.24	36
Alaska	71.31	1	11.69	6
Arizona	24.99	34	8.11	27
Arkansas	24.09	39	9.05	19
California	40.51	7	7.91	28
Colorado	40.78	6	12.15	5
Connecticut	24.40	36	8.78	21
Delaware	23.91	41	8.27	24
Florida	45.46	4	10.08	14
Georgia	23.45	42	6.93	42
Hawaii	67.30	2	7.01	41
Idaho	34.57	12	10.70	11
Illinois	24.68	35	7.14	38
Indiana	26.51	28	9.61	16
Iowa	27.18	26	10.43	13
Kansas	30.37	19	9.77	15
Kentucky	27.27	25	7.44	35
Louisiana	25.42	30	6.43	49
Maine	32.96	16	10.49	12
Maryland	33.94	13	6.50	47
Massachusetts	24.19	37	7.08	40
Michigan	21.57	46	6.36	50
Minnesota	27.64	23	9.26	17
Mississippi	21.85	45	7.81	29
Missouri	28.30	21	8.54	23
Montana	27.42	24	13.85	3
Nebraska	28.29	22	10.82	10
Nevada	25.16	32	7.62	33
New Hampshire	41.14	5	10.88	9
New Jersey	29.36	20	7.78	31
New Mexico	39.17	8	9.12	18
New York	26.59	27	7.49	34
North Carolina	24.08	40	7.09	39
North Dakota	23.42	43	12.40	4
Ohio	26.28	29	6.46	48
Oklahoma	25.33	31	9.03	20
Oregon	35.81	11	11.00	8
Pennsylvania	24.10	38	6.90	43
Rhode Island	20.80	47	7.79	30
South Carolina	22.21	44	6.80	45
South Dakota	17.26	50	11.33	7
Tennessee	25.15	33	7.16	37
Texas	38.57	9	7.72	32
Utah	31.80	17	8.16	26
Vermont	48.80	3	14.08	2
Virginia	31.36	18	6.82	44
Washington	33.93	14	8.78	21
West Virginia	33.70	15	6.61	46
Wisconsin	19.74	48	8.21	25
Wyoming	38.28	10	14.91	1

Minority & Women Business Ownership Data Sources

Business Ownership – Minority

Measure:	Minority-owned (Black, Hispanic, American Indian, Asian, and Pacific Islander) businesses with paid employees, as a percent (score) of minorities aged 18–65 (1990), 1987.
Source:	U.S. Department of Commerce, Bureau of the Census, *1987 Economic Censuses: Survey of Minority-Owned Business Enterprises*, (Washington, DC: GPO, August 1991). Population figures from the 1990 U.S. Census. Calculations by CFED.

Business Ownership – Women

Measure:	Women-owned businesses with paid employees, as a percent (score) of women aged 18–65 (1990), 1987.
Source:	U.S. Department of Commerce, Bureaus of the Census, 1987 Economic Census: Women-Owned Businesses (Washington, DC: U.S. Government Printing Office, August 1990). Population figures from the 1990 U.S. Census. Calculations by CFED.

Acknowledgements

Project Team

Director:
Mitchell Horowitz, CFED

Senior Writer:
William Nothdurft

Managing Editor:
Joy Motheral, CCPG

Publications Manager:
Kathy McGlinn, CCPG

Contributors

CFED Staff
Brian Dabson
Linda Keeney
Debby Manley
Bryant Moore
David Schnepp

CCPG Staff
Christopher Stathes
Raj Shah
Kevin Ruess

Gavroche Marketing, Inc.
Amy Bernstein

Press Relations
Melinda Patrician

Special Assistance

Database Software & Analysis:
CCPG
Hemant Virkar

Research & Analysis:
Mt. Auburn Associates
Andrew Reamer

Book Layout & Design:
CCPG

Book Printing:
CCPG

Cover Design:
Log House Graphics
Patrice Gallagher
Amanda Woods

Cover Printing:
Line Marque Printing, Inc.

Fulfillment:
CCPG
Patricia Luper
Margaret Mooney
Yogesh Shah
Atul Dave
Kamlesh Trivali

Report Card Sponsors

As in past years, the funding support for research and production of the *1992 Development Report Card* comes in equal proportions from corporations, labor unions, and private foundations. The *Development Report Card* remains the work of CFED and does not necessarily reflect the specific views of any one sponsor. CFED thanks each of these generous contributors:

- *Aetna Life & Casualty Foundation*
- *American Federation of State, County & Municipal Employees*
- *American Federation of Teachers*
- *Ameritech Foundation*
- *The Joyce Foundation*
- *The Levi Strauss Foundation*
- *Public Employee Department, AFL – CIO*
- *Service Employees International Union*